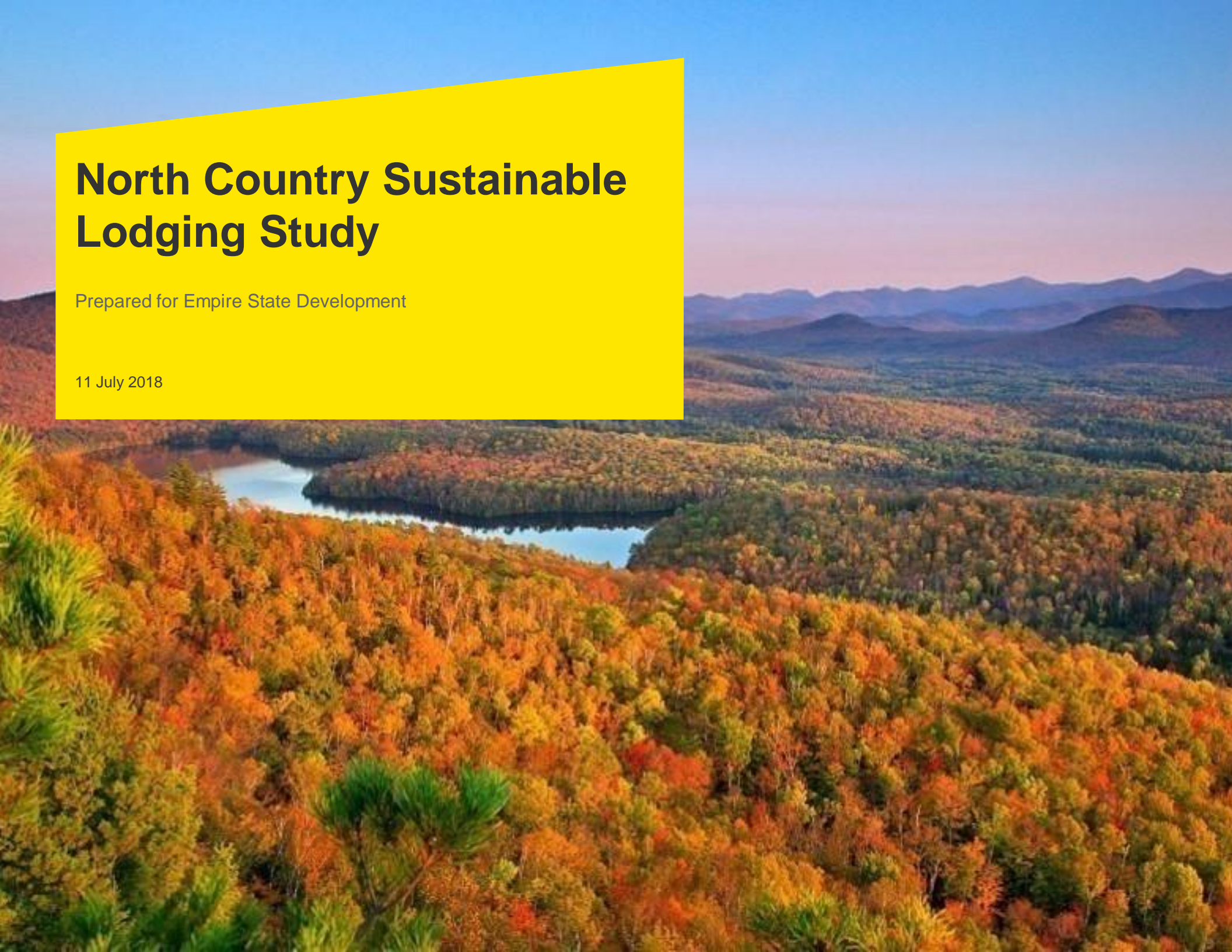


# North Country Sustainable Lodging Study

Prepared for Empire State Development

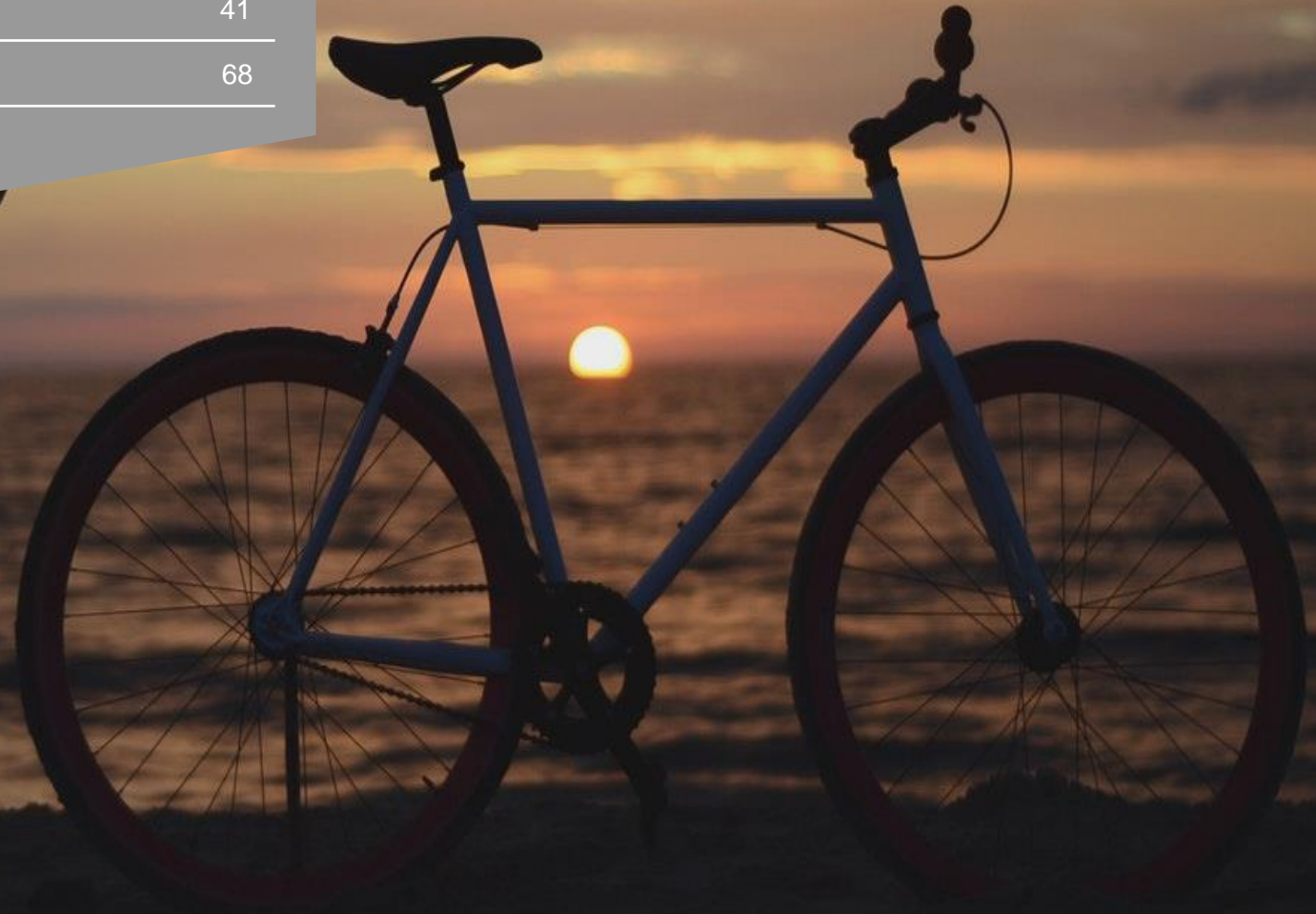
11 July 2018





# Table of Contents

1	Executive Summary	3
2	Regional Overview	14
3	Lodging Market Overview	31
4	Lodging Market Opportunities	41
5	Appendices	68



# 1

## Executive Summary



# 1 Executive Summary

## Objective and Methodology

<b>1 Executive Summary</b>
2 Regional Overview
3 Lodging Market Overview
4 Lodging Market Opportunities
5 Appendices

New York State Urban Development Corporation, d/b/a Empire State Development (“ESD”), on behalf of the North Country Regional Economic Development Council Lodging Taskforce (“Taskforce”) (collectively the “Project Sponsors”), engaged the Consultant Team to independently study sustainable lodging development opportunities in the Adirondacks and Thousand Islands regions of New York State (collectively the “North Country”).

The purpose of the study is to understand the dynamics of current and future lodging demand, provide a guide for additional lodging development and investment, and leverage existing venues and demand generators. The findings of this study relate to the following objectives/critical questions:

1. What does the current lodging landscape of North Country look like?
2. How has the lodging market performed in the Adirondacks and Thousand Islands regions?
3. What is the impact of seasonality on lodging potential for the regions?
4. What has impeded or driven growth in the past?
5. Which markets show the greatest degree of “readiness” for lodging development based on defined critical success factors?
6. Based on characteristics for those markets identified, what is the profile of a successful lodging project in each respective market?
7. What other investments/initiatives could help support sustainable lodging development in each of the markets studied?

We utilized a holistic approach that accounted not only for commercial success factors, but also economic and social benefits to the local community, and the long-term sustainability of projects. We considered how the identified lodging markets can leverage their existing natural and manmade attractions. It is important to note that the outcome of our analysis does not preclude any specific market from enhancing its lodging potential, but rather identifies the markets across a very large geography where near-term focus could attract interest in lodging development.

As such, we conducted extensive fieldwork within the Adirondacks and Thousand Islands regions, which included 43 interviews with key regional stakeholders, and inspection of key lodging facilities, attractions and other area amenities that create demand and impact the visitor’s experience and, ultimately, hotel operating performance. Additionally, our evaluation criteria were informed by interviews with institutional hotel developers, investors and/or operators who are active in the North Country and/or similar seasonal, leisure-focused markets. These interviews supplemented our foundational industry knowledge and experience regarding the considerations and requirements for successful lodging development in such markets. Finally, we conducted significant secondary research, including leveraging prior tourism, visitation and economic impact studies focused on the North Country regions, as well as additional data sources.

The following report is organized as follows:

- ▶ Executive summary highlighting our key findings
- ▶ Regional overview providing contextual elements related to lodging for both regions, including economic/demographic attributes, seasonal visitation patterns, access, etc.
- ▶ Lodging market overview including key attributes of demand and supply, and the strengths, weaknesses, opportunities and threats related to the lodging sector in each region
- ▶ Identification and prioritization of 12 Lodging Market Opportunities based on critical success factors for sustainable lodging development, and
- ▶ Appendices, which include the following:
  - ▶ Appendix 1: Definitions and Abbreviations
  - ▶ Appendix 2: Chain Scales and Brand Examples
  - ▶ Appendix 3: Demographic Data
  - ▶ Appendix 4: List of Identified Development Opportunities and Sites by Market
  - ▶ Appendix 5: Initial Developer Information Checklist
  - ▶ Appendix 6: Sustainability Considerations for Tourism and Lodging: North Country

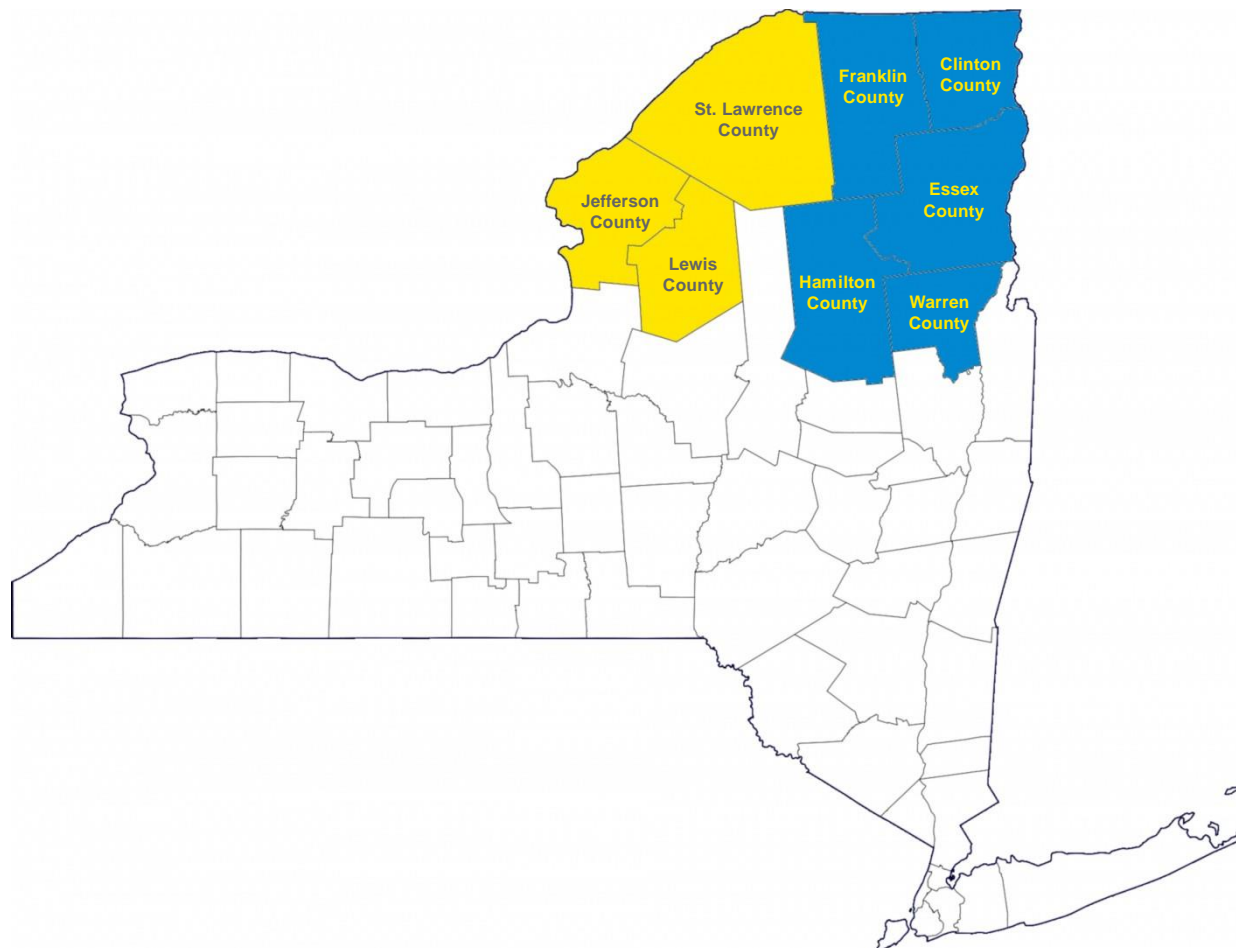


## 1 Executive Summary

### Map of the North Country

<b>1 Executive Summary</b>
2 Regional Overview
3 Lodging Market Overview
4 Lodging Market Opportunities
5 Appendices

For the purpose of this study, the North Country is composed of two regions, the Adirondacks and the Thousand Islands. The Adirondack (“ADK”) Region, shown below in blue, is defined within this report as Clinton, Essex, Franklin, Hamilton, and Warren Counties. The Thousand Islands Region, shown below in yellow, is defined within this report as Jefferson, Lewis and St. Lawrence Counties. While portions of Lewis and St. Lawrence Counties are understood to be part of the Adirondacks, the details of these counties are presented as part of the Thousand Islands.



# 1 Executive Summary

## The Adirondack Region

<b>1 Executive Summary</b>
2 Regional Overview
3 Lodging Market Overview
4 Lodging Market Opportunities
5 Appendices

The Adirondack Region is defined within this report as Clinton, Essex, Franklin, Hamilton, and Warren Counties. While portions of Lewis and St. Lawrence Counties are understood to be part of the Adirondacks, the details of these counties are presented as part of the Thousand Islands region. The Adirondack Park is the focal point of the region, with its mountains, lakes, rivers and forests that will remain “Forever Wild” due to Article XIV of the New York State Constitution. The Park’s pristine natural beauty and renowned recreational opportunities attract visitors from all over the world. They are drawn to the area’s hiking, boating, rafting, fishing, canoeing, biking, and leaf “peeping” during the warmer months, and the Alpine and Nordic skiing, snowmobiling, ice fishing, snowshoeing, ice skating, and hockey in the winter months. These natural attractions are supplemented throughout the year by man-made ones including immersive museums, local breweries, rustic small towns, golf, horseback riding, visiting a historic fort, star gazing at an observatory or attending special local events. As a destination, the region provides a place to relax and experience the beauty of the natural world, but also attracts adventure seekers and world class athletes. The ADKs are a special place to gather to mark important occasions such as weddings or family reunions, attend national and international sporting events, or to just enjoy as a scenic and relaxing location to pass time with loved ones.

While not the focus of this study, Lake Placid is the most well-known destination in the ADKs due to its role as the host city of the 1932 and 1980 Winter Olympic Games. With its Olympic venues, quaint village, sporting history, and significant lodging supply, the Lake Placid hotel market is one of the largest and strongest in the North Country, with properties ranging from cabins to luxury resorts. Seasonality in Lake Placid is tempered by frequent sporting events that drive demand throughout the year; April is the exception, however, and is known as “mud season” in the ADKs. Overflow demand from Lake Placid’s many attractions and events create unaccommodated demand that can be captured in the surrounding market areas.

For the other lodging markets in the ADKs, seasonality is a more significant issue. Summer is the most popular season with strong demand from families, younger couples, singles, and empty nesters. Wedding demand is also strong in the summer and can continue through mid-October. In the summer and early Fall (May through October), Lake George has the largest number of hotel rooms booked in the Adirondacks. In the fall shoulder season, there are still ample recreational opportunities in the ADKs such as leaf peeping, which attracts mostly empty nesters, younger couples, and singles, primarily during the weekends. During winter, locations without larger ski mountains experience a significant drop off in demand, although activities like Nordic skiing, snowmobiling, ice-fishing and snowshoeing provide some increase in demand from more proximate feeder markets on weekends. Markets with ski mountains, like North Creek and Wilmington, have weekend demand between Thanksgiving and early March from alpine skiers, depending on the weather. Midweek demand is weaker, with the exceptions of Holiday week (between Christmas and New Year’s Day) and winter break/President’s week in February. If more lodging accommodations were available either on mountain or proximate, mid-week demand in these two markets could increase. “Mud season” in April is problematic throughout the ADKs, with some lodging facilities and local restaurants closing for part or all of the month. The period between Mother’s Day and Father’s Day can also be difficult, as black flies are very active near fresh water rivers, ponds, and lakes. Saranac Lake is one of the few markets in the ADKs that accommodates a significant amount of commercial demand throughout the year, driving occupancy and average rates in the crucial midweek period.

### Key features

- **Population in 2017:** 244,659 (five county region, does not include portions of Lewis or St. Lawrence Counties)
- **Major Activities:** Hiking, boating, fishing, rafting, canoeing, Alpine/Nordic skiing, snowmobiling, biking
- **Major Attractions:** Gore Mountain, Whiteface Mountain, Wild Center, ADK Experience, Town of Saranac Lake, Olympic Center in Lake Placid
- **Access:** 3 out of 4 visitors arrive by car primarily via I-87, I-90, I-81, some from Adirondack Regional Airport (SLK), Plattsburgh International Airport, seven Amtrak stations
- **Demand:** Mainly leisure, with growing group segment for weddings/bus tours and some commercial in Saranac Lake
- **Supply (excluding Lake Placid and Lake George):** Mainly economy to midscale and upper mid-scale unaffiliated hotels/motels; some branded in select locations such as Saranac Lake, Lake Champlain and Fort Ticonderoga markets
- **Feeder Markets:** Metro NYC, Capital Region, Buffalo, Washington DC, Syracuse, New Jersey, Canada, some overseas

# 1 Executive Summary

## The Adirondack Region

### 1 Executive Summary

- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices

Based on our market research and interviews with industry participants, ADK year round occupancies at a sample of existing lodging facilities (excluding Lake Placid) range broadly from 35-55% across the region, with seasonal averages as low as 10% in the winter and early spring. Room revenue per available room (“RevPAR”) ranges annually from \$25 to \$75 depending upon location, indicating the challenge in financing a new hotel without public incentives. The newest hotel to open in the region is the 102-room Hotel Saranac, Curio Collection by Hilton in Saranac Lake; this historic property was redeveloped and opened in January 2018 with State grants to offset capital costs of the project. This market benefits from multiple leisure, group and commercial demand generators, while the other six market areas in the ADKs rely primarily on just leisure and group demand. Markets with major demand generators such as popular hiking trails, popular lakes, rivers and waterways, the Wild Center, the ADX Experience, Gore and Whiteface mountains, Fort Ticonderoga, Ausable Chasm, higher education institutions, and year round events have greater potential to attract private lodging investments.

Outside of the Lake Placid market, most overnight accommodations in the ADKs are owner-operated, economy to midscale, unaffiliated (independent) hotels and motels. The Saranac Lake, Fort Ticonderoga, and Lake Champlain markets are able to support some affiliated national flagged hotel properties due to their proximity to more transportation options and more limited seasonality. Although well positioned to attract more travelers, many of the markets in the region have a more distant lodging development horizon. The experienced developers best able to attract private equity and debt prefer hotel locations with limited seasonality; however, financial incentives can allow them to obtain a rate of return sufficient to attract interest of these developers. Based on our analysis, certain markets in the Adirondack region such as Saranac Lake, Lake Champlain and Tupper Lake appear positioned to support new lodging development in the near term while others may require additional investments in infrastructure, marketing/branding or demand generators to extend the tourist season and increase feasibility.

The average party size for overnight guests in the ADK is 3.4 persons on average, who stay an average of 3.1 nights and spend on average \$144 per person. The major feeder markets for visitation to the region include the New York City Metro area, Capital District, Buffalo, Syracuse, New Jersey, and the Canadian provinces of Ontario and Quebec (including the cities of Ottawa and Montreal). Three out of four visitors travel to the region by car via Interstates-87, -90, and -81, and then to local roads to reach their destinations. Some may fly to the Adirondack Regional (Saranac), Plattsburgh International, or Burlington International Airports and then rent a car. Amtrak service is also available to seven stations throughout the region. Tour buses are also an option for groups traveling to the ADKs (service by Trailways and Greyhound).

Overall, there is potential for transformational lodging development in the Adirondacks to increase job opportunities, improve the tax base and generate additional spending for the North Country. A combination of factors related to location, product, demand generators, seasonality and others, as well the experience of the developer, influence the likelihood of successful, sustainable lodging development in the region, as outlined in Section 4 (Lodging Market Opportunities) of this report.

### Key features

- ▶ **Visitor Profile:** Families (1 in 4 visitors are children), young couples, singles, empty nesters; average stay of 3.1 nights, average spend of \$144 per person
- ▶ **Lodging Performance\*:**
  - ▶ Peak: 45% to 85% occupancy, \$90 to \$180 ADR
  - ▶ Off-season: 10% to 50% occupancy, \$45 to \$115 ADR

*\*Based on interviews with market participants; representative of sample of regional hotels and inns; peak: May through October; off-season: November through April*

# 1 Executive Summary

## Thousand Islands

### 1 Executive Summary

- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices

The Thousand Islands Region is defined within this report as Jefferson, Lewis and St. Lawrence Counties. While portions of Lewis and St. Lawrence Counties are understood to be part of the Adirondacks, the details of these counties are presented as part of the Thousand Islands region. The Thousand Islands is a region characterized by water activities such as boating and fishing, and hundreds of miles of coastline along the St. Lawrence River with views of the 1,864 islands dotting the river and of Canada beyond. The lodging market is highly seasonal, with summer being peak. Peak season benefits from second-home owners returning to their private islands, and tourists visiting the enclaves along the coast for the many recreational opportunities, or for events such as weddings, concerts and fishing tournaments. Shoulder seasons are primarily fall, with leaf peepers out in full force, and to a lesser degree spring. The off-season is the winter months. Based on our market research and interviews with industry participants, annual occupancy at a sample of hotels across the region can vary widely, ranging from 25% to 70% depending on location, product quality and/or chain scale. The same sample indicated an average rate from \$80 to \$210, rounded. With the recent opening of the upscale, full-service “destination” Thousand Islands Harbor Hotel in Clayton, considered to be the Gateway to the Thousand Islands, severe seasonal patterns have shifted slightly as larger events are drawn to the new hotel in the fall and winter months, which have spilled over to nearby market areas. For example, restaurants in Clayton have begun to open year round.

Although this study considered all types of lodging, and identified inventory in the region including bed & breakfasts, home sharing opportunities and camping, market participants across the region stressed the need for lodging that would not only accommodate demand in the peak season, but also induce lodging demand, and the associated economic impact, in the shoulder- and off-seasons. Currently, the majority of overnight accommodation is owner-operated, economy to midscale, unaffiliated (independent) hotels and motels.

The attributes of markets along the coast and in the interior vary, including established destinations such as Alexandria Bay with its views of Boldt Castle, boating excursions and rustic atmosphere, to areas around Canton and Potsdam proximate to the region’s major universities, to the snowmobiling mecca of Lyons Falls and the scenic Sackets Harbor on the shores of Lake Ontario near the city of Watertown. Although well-located for tourism, other areas in the region have a more distant lodging development horizon, given current economic conditions and/or environmental challenges. Of note, no specific market has a hotel like the Thousand Islands Harbor Hotel in Clayton, but almost all market participants wanted one for the reasons discussed above. Although not part of our study area, it is noteworthy that the owner/operator of the Thousand Islands Harbor Hotel has had similar success in Watkins Glen, located in the Finger Lakes region of New York.

### Key features

- **Population:** 264,403 (three county region, including all of Lewis and St. Lawrence Counties)
- **Major Activities:** Boating, fishing, kayaking, hiking, snowmobiling, ice fishing
- **Major Attractions:** St. Lawrence River/Thousand Islands, Antique Boat Museum, Boldt Castle
- **Access:** Primarily via I-81 and 401 in Canada; commercial Airports in Ogdensburg, Massena, and Watertown; motor coaches (coach buses)
- **Demand:** Mainly leisure with growing group segment; larger regional events gaining traction in off-season; colleges in Potsdam and Canton mitigate seasonality; Fort Drum provides some demand for neighboring communities (government & leisure)
- **Supply:** Mainly economy to midscale unaffiliated hotels/motels; some branded hotels in less seasonal markets



# 1 Executive Summary

## Thousand Islands

### 1 Executive Summary

- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices

The major feeder markets for visitation to the region include Syracuse, Rochester, Buffalo, Western Pennsylvania and the Canadian provinces of Ontario (including the cities of Ottawa and Toronto) to the west, the Capital District including Albany to the south, and the province of Quebec (including Montreal) to the northeast. While there is public transit in the region via bus lines (Trailways and Greyhound), the most prevalent means of access is by car via Interstate 81 and Highway 401 in Canada. There are also commercial airports in Watertown, Ogdensburg and Massena, providing direct flights to/from Philadelphia, PA (Watertown), Orlando, FL (Ogdensburg), Tampa Bay Area, FL (Ogdensburg), Albany (Massena) and Baltimore (Massena). Finally, motor coaches provide coach bus tours of the region, originating from a number of Northeastern markets.

Demand is segmented into leisure, group, commercial and other (government and university), with the majority of markets entirely reliant on the leisure segment and to a lesser extent groups (social functions and large events/festivals). The majority of overnight leisure travelers are families, with a party size of 4.1 persons on average, who stay an average of 3.9 nights and spend on average \$1,382 per party per trip. In addition to the natural attractions and recreational activities associated with the St. Lawrence River and Lake Ontario, the region has a number of seasonal man-made attractions, such as the Antique Boat Museum in Clayton and Boldt Castle off the coast of Alexandria Bay, both closed from November through April.

Overall, there is potential for transformational lodging development in the Thousand Islands. A combination of factors related to location, product, demand generators, seasonality and others, as well the experience of the developer, influence the likelihood of successful, sustainable lodging development in the region, as outlined in Section 4 (Lodging Market Opportunities) of this report.

### Key features

- ▶ **Feeder Markets:** Western NY & PA, Ontario & Quebec, Central NY (Syracuse, Utica)
- ▶ **Visitor Profile:** Families, some couples; average stay of 3.9 nights, average spend of \$87 per day per person
- ▶ **Lodging Performance\*:**
  - ▶ Peak 45%-90% occupancy, \$89-\$289 ADR
  - ▶ Off-season 5%-60% occupancy: \$65-\$129 ADR

*\*Based on interviews with market participants; representative of sample of regional hotels and inns; peak: May through October; off-season: November through April*

## 1 Executive Summary

# SWOT (Strengths, Weaknesses, Opportunities and Threats) – The North Country

## 1 Executive Summary

- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices

## Strengths

- ▶ Natural beauty and manmade attractions allow the North Country to compete on a national and international level with similar nature-oriented destinations
- ▶ The region is readily accessible by car from a number of urban centers, including Albany (NY), Syracuse (NY), Binghamton (NY), Rochester (NY), Buffalo (NY), Scranton (PA), Ottawa (Ontario, Canada), Toronto (Ontario, Canada) and Montreal (Quebec, Canada). Six commercial airports throughout the region brings travelers from further distances; New York City is also a source of demand; however, its more distant location makes it a secondary source for many markets, especially those farther north
- ▶ According to studies by Tourism Economics completed in 2016 for the Thousand Islands and Adirondacks regions, average traveler spend has increased at an average annual growth rate of 2.1% from 2014 to 2016
- ▶ State, regional and local incentive programs are currently being offered in order to promote general investment and development in the region, as well as more specific development around tourism (specifically, lodging)
- ▶ Research indicates that the North Country has a ratio of 61% repeat visitors, representing a strong foundation of loyal visitors
- ▶ The established markets of Lake George and Lake Placid benefit from a variety of demand generators and lodging products, and are globally recognized destinations; Lake Placid is an all-season lodging market and Lake George has mitigated seasonality, particularly on weekends, due to its proximity to NYC. These known locations can act as starting points to the other travel destinations in the North Country as part of a travel itinerary
- ▶ The region's primary villages and cities of Saranac Lake, Plattsburgh, Watertown, Glens Falls and Ogdensburg benefit from a diversity of demand segmentation, with significantly more commercial and government lodging demand than other markets in the region
- ▶ Has cellular/wifi/broadband connectivity and supporting infrastructure/utilities for lodging development in the more established markets of the Adirondacks and generally throughout the Thousand Islands
- ▶ Community sentiment is generally supportive of tourism development as a catalyst for general economic improvement

## Weaknesses

- ▶ Sustaining year-round demand is challenging, due primarily to severe winter weather patterns; the majority of markets are highly-seasonal with wide fluctuations in average room rate and occupancy depending on the season
- ▶ Winter demand in North Creek and Wilmington are challenged by lack of lodging to attract mid-week skier demand
- ▶ Many lodging facilities are older and in need of renovation
- ▶ Most hotels are “mom & pop” operations with few institutionally managed properties
- ▶ Demand is largely leisure-oriented and occurs in the summer and early fall months; limited commercial lodging demand due to a general lack of large domestic and international companies in the region
- ▶ Many of the smaller towns and hamlets lack tourist amenities such as restaurants, coffee shops or other interesting retail, with existing amenities closing in the off-season
- ▶ Primary means of access to the region is via highways and connecting roads, which are susceptible to dangerous conditions and closure during severe winter weather; most markets have limited to no direct access to rail and air transport
- ▶ Qualified labor is scarce in many markets (due to remote locations, shrinking populations and lack of workforce participation), particularly during peak season; as such, employees often drive from long distances, with some hotels forced to hire international workers on temporary visas during the summer months and in some cases to build workforce housing
- ▶ Some locations lack consistent cellular/wifi connectivity
- ▶ Weak historic lodging performance in many markets due partially to a lack of diversity and quality of lodging product and area demand generators
- ▶ Lack of critical mass of supporting businesses in some areas

## 1 Executive Summary

# SWOT (Strengths, Weaknesses, Opportunities and Threats) – The North Country

## 1 Executive Summary

- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices

## Opportunities

- ▶ As leisure is the primary reason for visitation to the region, continued investment in leisure demand generators can boost visitation as guests have additional reasons to visit and/or extend their stay
- ▶ Potential to increase group business, particularly during the shoulder- and off-seasons, via the creation of new regional events, and the development (or repositioning) of full-service, institutionally managed lodging product with meeting space
- ▶ New or renovated lodging product operated by a professional management company, with appropriate facilities and amenities, and sales and marketing resources will potentially induce overnight demand into the market, mitigating seasonality and creating economic impact (e.g. more vibrant all-season downtown area)
- ▶ Leverage the availability of the outdoor hiking, snowshoeing and experience-based activities in the region to attract younger (millennial) travelers, who tend to seek out this type of activity
- ▶ Some existing anchor attractions (i.e., have exhibited significant annual visitation) would benefit from and support the development of nearby lodging
- ▶ New or enhanced shoulder- and off-season attractions will potentially mitigate seasonal demand patterns
- ▶ The scenic and natural beauty of locations across the region, e.g., proximity to lakes, and access to recreational activities, supports the development of nearby lodging
- ▶ Target existing base of repeat visitors and attract new visitors by creating and marketing varied itineraries throughout the region, as well as enhance and/or create new attractions in existing destinations, thereby increasing length of stay
- ▶ Given the strong proportion of repeat vs. new visitors, potential exists to increase market share of new visitors by enhancing market awareness of the region, with the potential to ultimately create incremental repeat visitation
- ▶ Leverage established lodging markets and/or transportation hubs as launching points for longer regionwide itineraries

## Threats

- ▶ Seasonal market, due primarily to winter weather; requires investment in infrastructure, amenities and demand generators, and incentives to close the financing gap for hotel developments
- ▶ Decreasing pool of year-round employees; according to the New York State Comptroller, the North Country's labor force declined by 10% from 2008 to 2016 and labor force participation in the region (50.7%) is lower than the State's (60.4%)
- ▶ The magnitude of investment required (monetary and time) to enhance general tourism industry in some markets may delay near-term viability of some lodging projects
- ▶ Distance of some markets from the interstate or nearby airports will limit their ability to increase meeting and group demand. According to industry participants, this segment typically considers ease of access as a top priority
- ▶ Financing for hotel development may be challenging due to seasonal markets, inexperienced developers, historic market performance and/or lack of brand affiliation for hotel developments (which may be more appropriate operationally, but offputting to lenders); can be partially mitigated by state and local incentives
- ▶ Relative proximity of competitive New York State leisure destinations (Finger Lakes, Hudson Valley, Catskills) to large urban feeder markets, particularly New York City



## 1 Executive Summary

### Sustainable Lodging Development Opportunities by Market

#### 1 Executive Summary

2 Regional Overview

3 Lodging Market Overview

4 Lodging Market Opportunities

5 Appendices

The table on the following page summarizes our assessment of the current state of the 12 identified lodging markets (presented in detail in Section 4 of this report). Our analysis utilized a holistic approach that accounted not only for commercial success factors, but also economic and social benefits to the local community; as such, established leisure destinations including Lake Placid, Lake George and Queensbury, and self-contained lodging markets with unique supply and demand dynamics (i.e., commercially oriented) including Watertown, Plattsburgh's Central Business District, and Glens Falls, were not considered. It is important to note that the outcome of this analysis does not preclude any specific market from enhancing its lodging potential, but rather identifies the markets across a very large geography where near-term focus could attract interest in lodging development.

Prioritization/ranking of the identified markets was based on Critical Success Factors for sustainable lodging development (weighted and listed in the table on the following page), consistent with lodging industry standards. The table displays the ratings on a scale of 1 to 5, where 1 indicates Not Attained and 5 indicates Fully Attained; the ranking of each market within its respective region is also presented.

# 1 Executive Summary

## Sustainable Lodging Development Opportunities by Market

### 1 Executive Summary

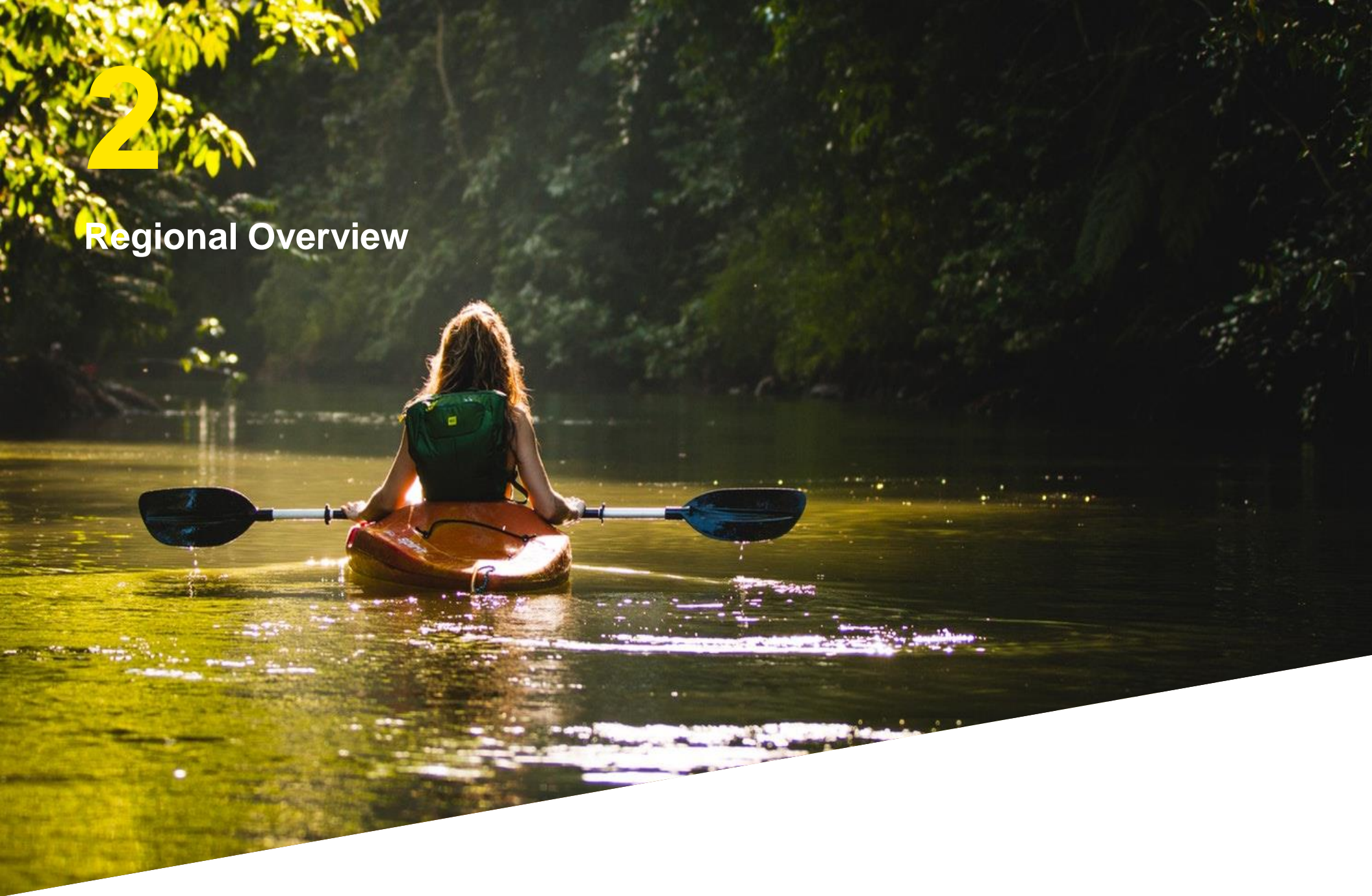
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices

	Weight	Saranac Lake	Lake Champlain	North Creek	Ticonderoga	Wilmington	Tupper Lake	Blue Mountain Lake	Speculator	Waddington	Sackets Harbor	Alexandria Bay	Lyons Falls
CRITICAL SUCCESS		ADIRONDACKS								THOUSAND ISLANDS			
Accessibility	15%	4	5	3	4	3	2	2	3	4	4	3	2
Demand across multiple seasons	15%	4	3	4	2	4	3	3	2	4	3	3	3
Diversified customer base	15%	4	4	3	3	3	3	2	2	4	3	2	2
Potential for new demand generators	15%	3	3	5	4	3	5	4	2	3	3	3	3
Historic lodging market performance	10%	3	4	4	3	NAP	2	NAP	2	NAP	2	2	2
Availability of labor	5%	3	4	2	4	3	3	2	2	3	2	2	3
Tourism Product/Amenities	15%	4	3	3	4	4	4	3	3	3	3	4	3
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)	5%	5	5	2	3	3	5	2	4	4	4	5	3
Community sentiment	5%	3	3	3	4	4	4	3	4	4	4	4	4
TOTAL	100%	3.70	3.70	3.45	3.40	3.36	3.35	2.70	2.50	3.58	3.10	3.00	2.65
Ranking by Region		1	1	2	3	4	5	6	7	1	2	3	4

Key	
Rating	Definition
5	Fully Attained
4	Mostly Attained
3	Average
2	Slightly Attained
1	Not Attained
NAP	Not Applicable

# 2

## Regional Overview





## 2 Regional Overview

### Adirondacks Tourism Industry

- 1 Executive Summary
- 2 Regional Overview**
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices

### Adirondacks Visitor Profile



#### Party Size

The average party size of visitors coming to the Adirondacks area is 3.4 persons

Almost eighty-percent (76%) of overnight travelers arrived by personal car or truck



#### Average Visitor Spend

Overnight guests spent a total of \$1.08 billion in 2016 (3.5% higher than 2015) or \$144 per person. Lodging and accommodation averaged \$64 per person per day while the average per person per day expenditure on food & beverage was \$32.

Tourism in the Adirondacks region is a \$1.3 billion industry, supporting 21,206 jobs. Warren County represents 43% of the region's tourism sales with \$577 million in traveler spending.



#### Average Length of Stay

The average number of nights spent in the Adirondacks for an overnight trip in 2016 was 3.1 nights, with 77% identified as repeat guests

There were approximately 12.0 million visitors to the Adirondacks in 2016, which accounts for approximately 64% of visitation to the North Country



#### Origin

Approximately 32% of visitors were from areas of New York state north of Albany, 30% from Western New York state, 8.0% from New York state south of Albany, and 18.0% from other areas in the Northeast (excluding New York). Of the remaining demand, approximately 7% came from Canada, and almost the entire remainder from other domestic locations. The number of visitors from south of Albany (NJ, CT, PA) has grown significantly in recent years. Approximately 60% of visitation to the region occurred during the warm months (April through September), with the remaining 40% occurring during the colder months (October through March).

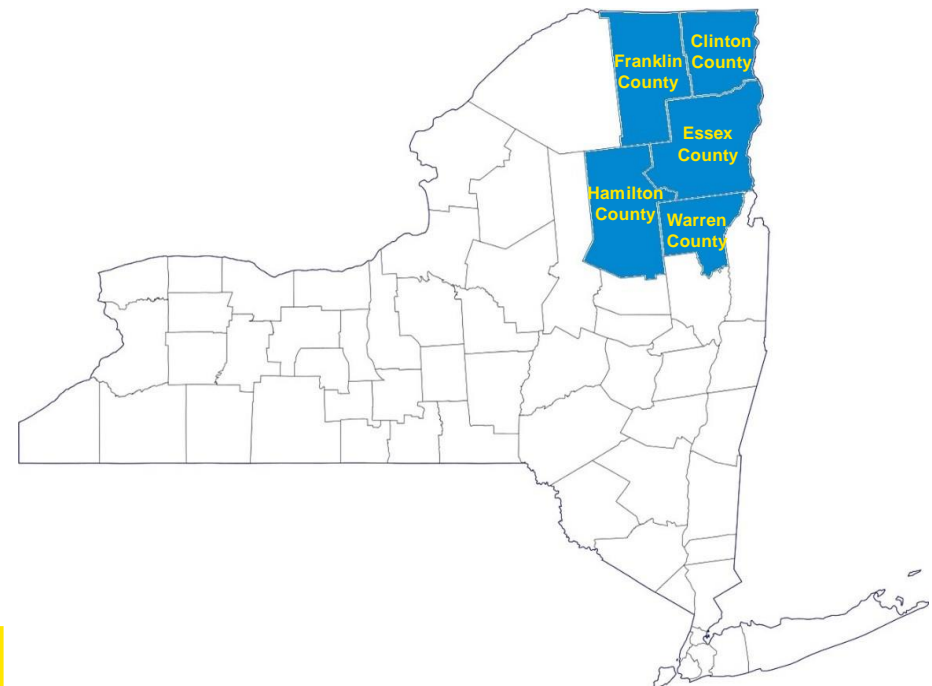
**The Adirondacks is known for its varied ski options, expansive forests and parks, and natural beauty.**

#### Estimated Visitors to North Country (2016)

# 18.8m

#### Estimated Visitors to Adirondacks (2016)

# 12.0m

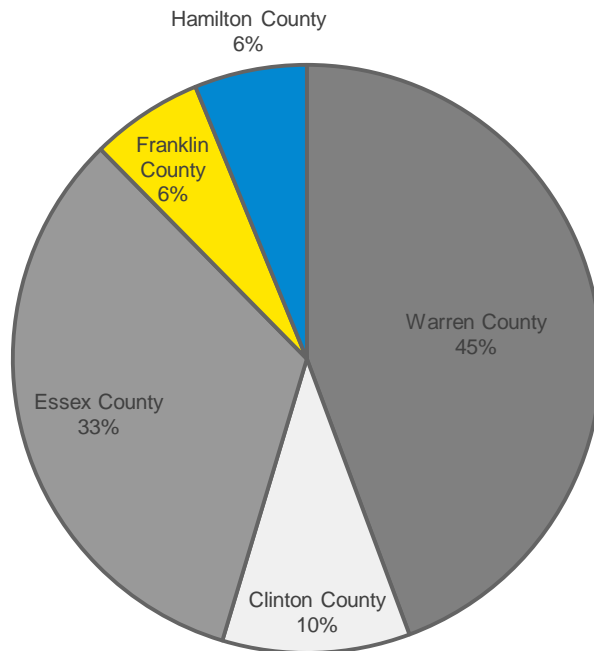


## 2 Regional Overview

### Adirondacks Tourism Industry

1	Executive Summary
2	<b>Regional Overview</b>
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

Visitor Spending by County



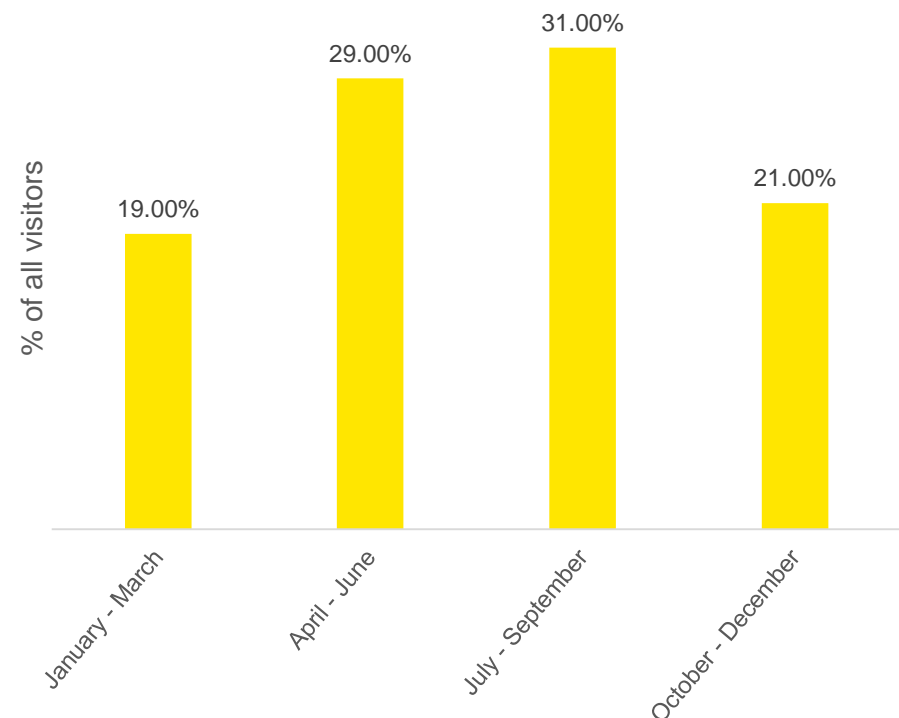
### The Economic Impact of Tourism

- ▶ Tourism in the Adirondacks region supports 20,616 jobs
- ▶ 18.8% of all employment in the Adirondacks region is generated by tourism
- ▶ Warren and Essex Counties receive the largest proportion of tourism-generated economic impact in the region (77.2%)

Source: Adirondacks Visitor Report (2016); The Economic Impact of Tourism in New York- Adirondacks Focus (2016)

### Seasonal Visitation Patterns and Visitor Preferences

- ▶ The Adirondacks is a seasonal market; 60% of all visitation occurs during the warmer months of April through September, and 40% visitors travel during the remaining six months.
- ▶ According to Longwoods International's 2016 Adirondacks visitor report, the main purpose of traveling to the Adirondacks region was to experience its scenic beauty, history, culture, outdoor activities such as camping, fishing, hiking boating and skiing, and other leisure attractions, activities and events (57%); visiting friends and family was the second most common purpose for travel to the region (38%); while only about 5% of all visitors came to the Adirondacks for conferences or other business-related trips.

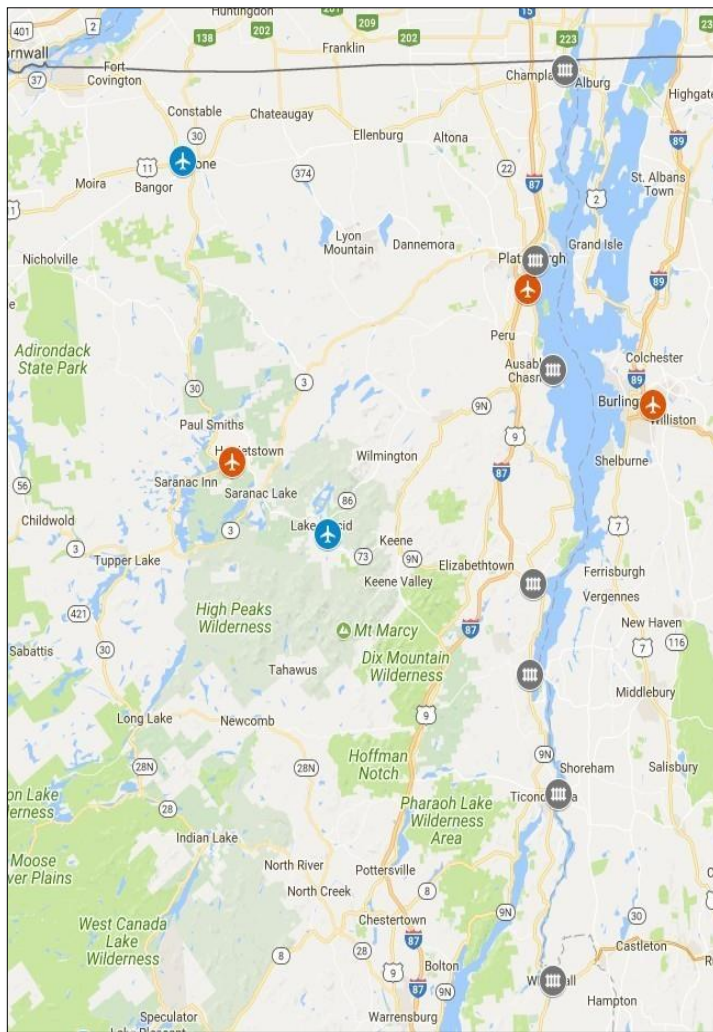


## 2 Regional Overview

### Adirondacks Accessibility

- 1 Executive Summary
- 2 Regional Overview**
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices

#### Transit hubs and major roadways

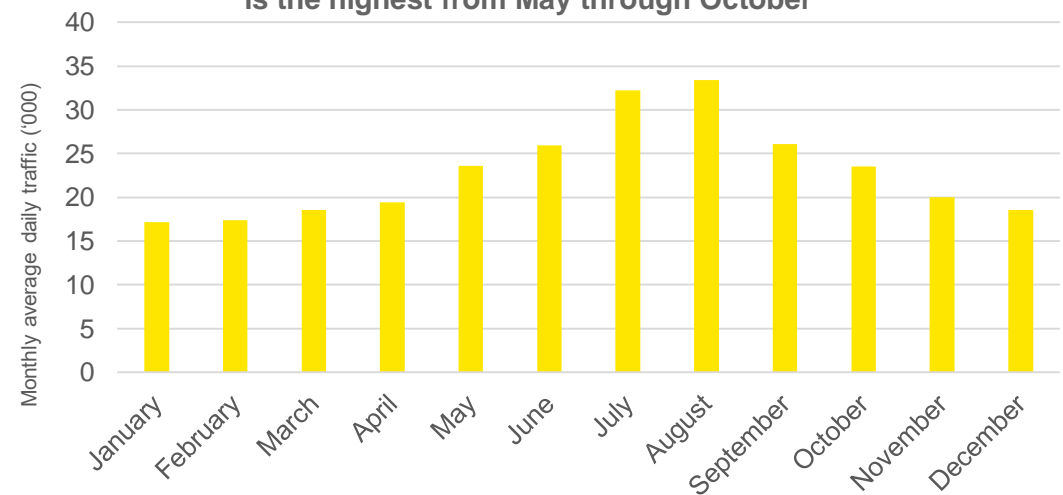


Commercial aviation services
 Non-commercial aviation services
 Railroad network

Source: New York State DOT Annual MADT Summaries (2015)

Transportation	Local Access Points
Highway	I-87 is the major north-south highway in the region, traversing the state from New York City to the town of Champlain, before converting into AutoRoute 15 in Quebec, Canada, leading to Montreal. Drivers also access the area via I-81 and I-90.
Rail	Amtrak's Adirondack line travels daily from New York City, through the Hudson Valley, and into Montreal. There are a total of seven rail stations in the Adirondacks region.
Air	The region has three international airport – Plattsburgh International Airport, Albany International Airport and Montreal's Pierre Elliott Trudeau International Airport; one regional airport – Adirondack Regional Airport-SLK in Saranac Lake; and two airports for non-commercial flights – one in Lake Placid and one in Malone. Burlington International Airport in Vermont is also a main air access point for the region.

#### Average daily traffic on I-87 (North of Lake George) is the highest from May through October\*





## 2 Regional Overview

### Thousand Islands Tourism Industry

- 1 Executive Summary
- 2 Regional Overview**
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices

### Thousand Islands Visitor Profile



#### Party Size

The average party size of visitors coming to the Thousand Islands is 4.1 persons



#### Average Visitor Spend

Visitors report average total expenditures per party per trip at \$1,382, which averages to \$326 per day or \$87 per day per person

Tourism in the Thousand Islands region is a \$414 million industry, supporting 9,408 jobs. Jefferson County represents 49% of the region's tourism sales with \$253 million in traveler spending.



#### Average Length of Stay

The average number of nights spent in the Thousand Islands for an overnight trip in 2016 was 3.9 nights, with 32% identified as repeat guests

There were approximately 6.8 million visitors to the region in 2016, which accounts for approximately 36% of visitation to the North Country



#### Origin

The largest proportion of visitors in 2015 came from western New York State (30%) and Canada (23%), followed by the rest of the Northeast (excluding NY, 19%) and the rest of New York state (8%). Remaining demand was distributed among the rest of the US (18.6%), the rest of Canada (1.1%) and other international visitors (0.4%).

Travel is heavily dominated by peak season (summer) visitation (nearly 53%), with fall the second most popular season in terms of visitation (32%)

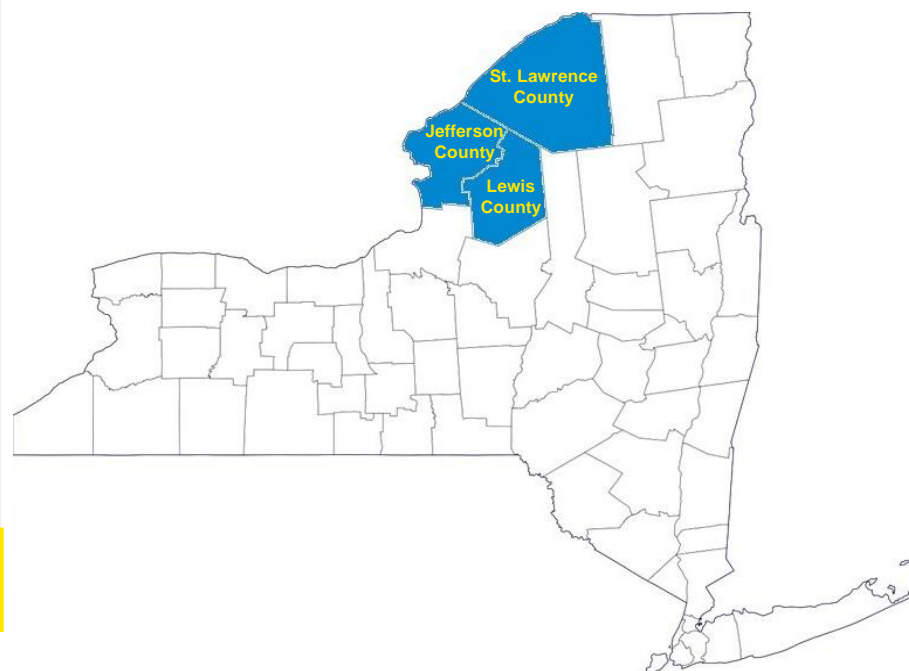
**The Thousand Islands region benefits from its location along the St. Lawrence River and the shore of Lake Ontario, as well as its accessibility from both the US and Canada.**

#### Estimated Visitors to North Country (2016)

# 18.8m

#### Estimated Visitors to Thousand Islands (2016)

# 6.8m

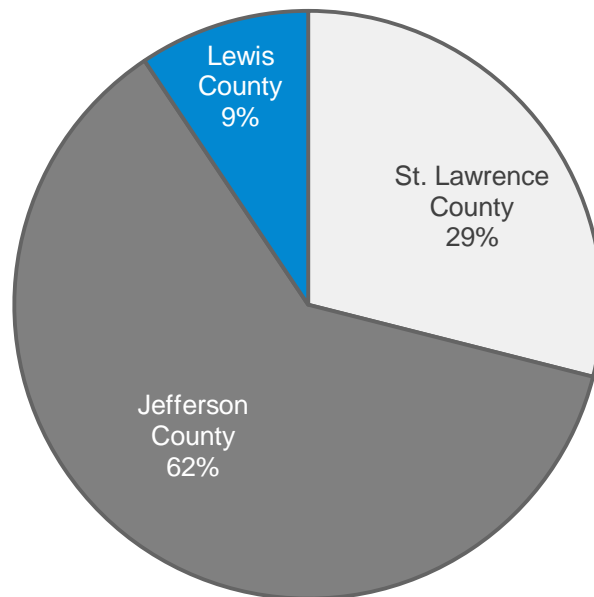


## 2 Regional Overview

### Thousand Islands Tourism Industry

1	Executive Summary
2	<b>Regional Overview</b>
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

Visitor Spending by County

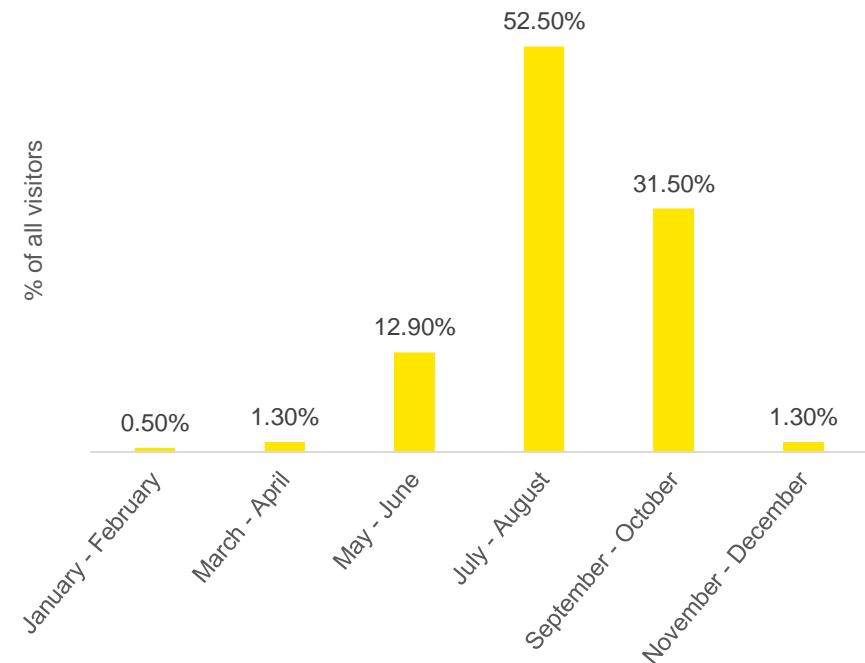


### The Economic Impact of Tourism

- ▶ Tourism in the Thousand Islands region supports 9,408 jobs
- ▶ 8.5% of total employment is generated by tourism
- ▶ Jefferson County receives the largest proportion of tourism-generated economic impact in the region (50.8%)

### Seasonal Visitation Patterns and Visitor Preferences

- ▶ The Thousand Islands is an extremely seasonal market where almost 97% of all visitation occurs from May through October, and less than 4% during the remaining six months of the year.
- ▶ According to a visitor survey conducted by the Thousand Islands International Tourism Council, 47% of all travelers prefer to stay in a hotel or resort. The next most common preference is RV or other camping at 12%, followed by private house or cabin rentals at 10%.

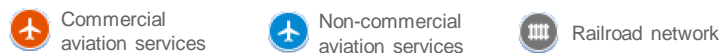
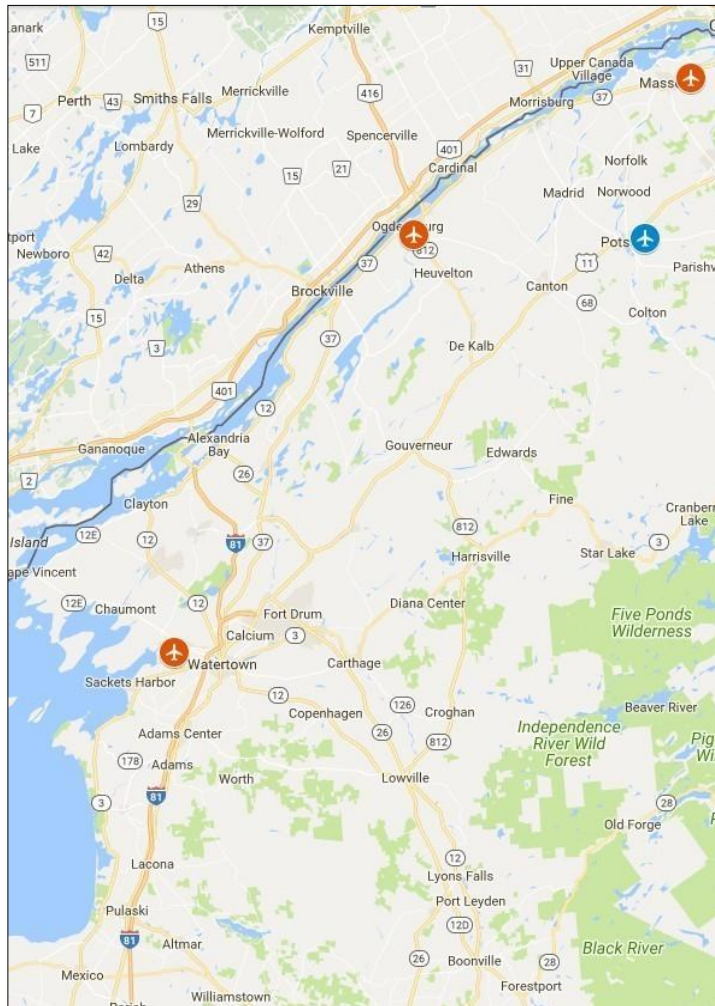


## 2 Regional Overview

### Thousand Islands Accessibility

- 1 Executive Summary
- 2 Regional Overview**
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices

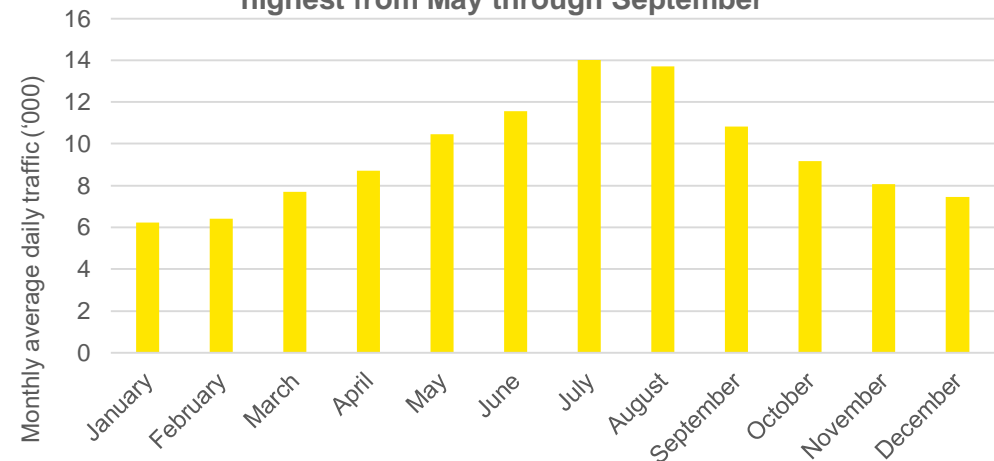
#### Transit hubs and major roadways



Source: New York State DOT Annual MADT Summaries (2015)

Transportation	Local Access Points
Highway	I-81 is the major arterial in the region, a north-south highway with its southern terminus in Dandridge, Tennessee, and traversing New York State to the Thousand Islands Bridge at the Canadian border, where it converts to Highway 401 (providing access to Toronto and Montreal)
Rail	There is no rail service in the region; the nearest Amtrak stations are in Utica and Syracuse, NY
Air	The region has three international airports in Watertown, Ogdensburg and Massena; and one regional airport – Potsdam Municipal Airport

#### Average daily traffic on I-81 (North of Fort Drum) is the highest from May through September



\*2015 Data



## 2 Regional Overview

### Development Context – Laws and Regulations

1	Executive Summary
<b>2</b>	<b>Regional Overview</b>
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

### Legal and Regulatory Issues

In addition to the regulations typically associated with hotel development (zoning, building permits, etc.), the following regulations may impact development within the North Country:

#### ► *Within the Adirondack Region:*

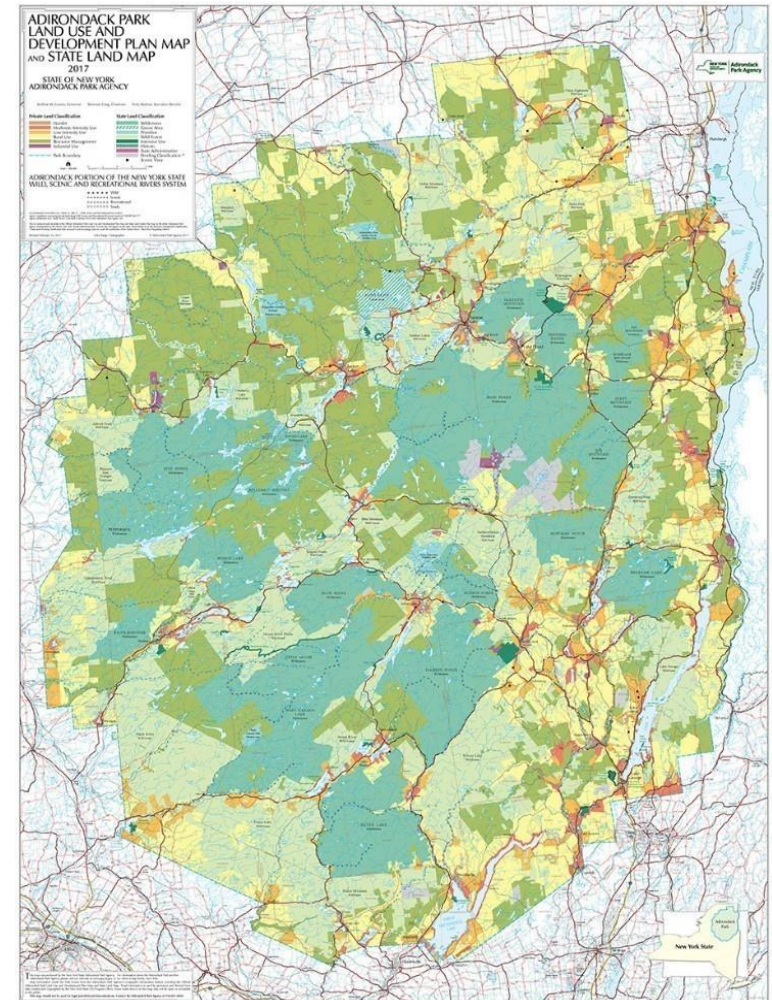
- Article XIV of the New York State Constitution provides for the pristine environment that attracts millions of visitors to the Park each year, assuring that State-owned land in the Park remains “forever wild”.
- Development on private land within the Adirondack Park is guided by the Adirondack Park Agency (“APA”), with land uses, densities, and other factors determined by which of the six land classifications the site is given: Hamlet, Moderate Intensity Use, Low Intensity Use, Rural Use, Resource Management, and Industrial Use.
- The additional time required to receive a permit (if necessary) from the APA should be considered in estimating development timelines. For example, the regulations specifically impact development of lodging facilities that exceed 99 rooms in certain locations.
- A high-level permit checklist can be found at <https://apa.ny.gov/Documents/Guidelines/CitizensGuide.pdf>

#### ► *Within the Thousand Islands Region:*

- The Region includes former industrial properties which may require remediation before they can be redeveloped with lodging facilities. Public funds may be available to offset remediation costs (see “Development Context – Incentives” page).

#### ► *For projects receiving New York State Lodging Grants:*

- MWBE Participation – New York State requires at least 30% of goods and services to be purchased from a certified MWBE. A waiver process is available for those unable to meet the requirements.
- Labor Peace Agreement – New York State requires a labor peace agreement for hotel projects receiving State incentives; this requirement may be waived.
- The Statewide minimum wage will increase to \$15.00 per hour for companies with 11 or more employees on December 31, 2018 and for companies with 10 or fewer employees by December 31, 2019



Land Use and Development Plan Map – Adirondack Park

[https://apa.ny.gov/gis/\\_assets/ApludpSImp2017Feb14-1000w.jpg](https://apa.ny.gov/gis/_assets/ApludpSImp2017Feb14-1000w.jpg)

## 2 Regional Overview

### Development Context – Incentives

1	Executive Summary
<b>2</b>	<b>Regional Overview</b>
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

The following presents an overview of the various incentive programs supporting lodging development in the North Country. Many of these programs can be accessed through New York State’s Consolidated Funding Application (“CFA”) which allows an applicant to be considered for multiple programs with a single application and approval process. For more information see <https://apps.cio.ny.gov/apps/cfa/>.

#	Program	Source	Description
1	<b>North Country Lodging Fund</b>	▶ Empire State Development	▶ \$13 million was committed in the FY2019 New York State budget to incentivize lodging development in the North Country communities.
2	<b>Tourism Loan Fund</b>	▶ Development Authority of the North Country	▶ 1% interest loan fund for project that furthers tourism related development projects having a transformational impact on North Country communities. ▶ Maximum loan amount is \$250,000 and cannot exceed 20% of project costs. ▶ MWBE and labor peace requirements apply. ▶ <a href="https://www.danc.org/business-development">https://www.danc.org/business-development</a> ; <a href="https://evogov.s3.amazonaws.com/media/83/media/57753.pdf">https://evogov.s3.amazonaws.com/media/83/media/57753.pdf</a>
3	<b>Regional Council Capital Fund</b>	▶ Empire State Development	▶ Grant funding for capital-based economic development projects that create or retain jobs. ▶ <a href="https://esd.ny.gov/regional-council-capital-fund-program">https://esd.ny.gov/regional-council-capital-fund-program</a>
4	<b>Empire State Economic Development Fund</b>	▶ Empire State Development	▶ Offers financial assistance for projects that promote economic health through job creation and/or retention. Includes construction, rehabilitation, working capital, land acquisition, M&E, as well as other soft costs. ▶ <a href="https://esd.ny.gov/empire-state-economic-development-fund-program">https://esd.ny.gov/empire-state-economic-development-fund-program</a>
5	<b>Community Development Block Grant</b>	▶ HUD/NYS Office of Community Renewal	▶ Community Development Block Grant funds are federal funds provided by HUD, are administered by NYS for eligible cities, towns, and villages under 50,000 population, which applies to the North Country communities. One of the goals is to expand economic opportunities, skills training and employment for low and moderate income persons, which could be accomplished through job-creating hotel development. ▶ <a href="http://www.nyshcr.org/Programs/NYS-CDBG">http://www.nyshcr.org/Programs/NYS-CDBG</a>
6	<b>EB-5</b>	▶ Upstate NY Regional Center	▶ Provides a low-interest loan to the project through the federal program to create jobs in NY using funds from qualified Foreign Investors that meet the requirements of the EB-5 Program seeking to earn U.S. permanent residency for themselves and their families. ▶ <a href="https://eb5projects.com/profile/regional-center/237-upstate-new-york-regional-center-unyrc">https://eb5projects.com/profile/regional-center/237-upstate-new-york-regional-center-unyrc</a>
7	<b>New Federal Opportunity Zone Community Development</b>	▶ Empire State Development	▶ Encourages private investment in low-income urban and rural communities. ▶ <a href="https://esd.ny.gov/opportunity-zones">https://esd.ny.gov/opportunity-zones</a>

## 2 Regional Overview

### Development Context – Incentives (continued)

1 Executive Summary

**2 Regional Overview**

3 Lodging Market Overview

4 Lodging Market Opportunities

5 Appendices

#	Program	Source	Description
8	<b>Downtown Revitalization Initiative</b>	▶ Empire State Development	<ul style="list-style-type: none"> <li>▶ \$100 million initiative to improve vitality of 10 community centers. One community is selected through a competitive process in reach region of NYS. Funds can be used for public improvements and to incentivize new development.</li> <li>▶ <a href="https://www.ny.gov/programs/downtown-revitalization-initiative">https://www.ny.gov/programs/downtown-revitalization-initiative</a></li> </ul>
9	<b>New Markets Tax Credits</b>	▶ Empire State New Market Corporation	<ul style="list-style-type: none"> <li>▶ Provides investment capital for operating companies and real estate development projects that can create jobs for low income communities. A \$55 million allocation was received in 2016 for distribution in 2017/2018. Projects must be over \$10m and have a \$1.5 to \$2 million gap.</li> <li>▶ <a href="https://esd.ny.gov/new-markets-tax-credit-program">https://esd.ny.gov/new-markets-tax-credit-program</a></li> </ul>
10	<b>National Grid's Economic Development</b>	▶ National Grid	<ul style="list-style-type: none"> <li>▶ Lowers cost of infrastructure investment and ongoing operating costs through energy efficient solutions. The most applicable grants offered are the Shovel Ready Infrastructure and Main St. programs</li> <li>▶ <a href="http://www.shovelready.com/ProgramDocuments/ShovelReadyIncentive.pdf">http://www.shovelready.com/ProgramDocuments/ShovelReadyIncentive.pdf</a>; <a href="http://www.shovelready.com/ProgramDocuments/MainStreetRevitalization.pdf">http://www.shovelready.com/ProgramDocuments/MainStreetRevitalization.pdf</a></li> </ul>
11	<b>Market New York</b>	▶ Empire State Development	<ul style="list-style-type: none"> <li>▶ A grant program that supports regionally themed marketing projects that promote tourism destinations, attractions, and special events, as well as tourism facility capital improvement projects (new construction or renovation). The program provides funds for eligible projects that will create an economic impact by increasing tourism throughout the State.</li> <li>▶ <a href="https://esd.ny.gov/market-new-york-tourism-grant-program">https://esd.ny.gov/market-new-york-tourism-grant-program</a></li> </ul>
12	<b>Payment in Lieu of Taxes</b>	▶ County or local jurisdiction	<ul style="list-style-type: none"> <li>▶ PILOT agreements provide a financial incentive for hotel development projects by reducing the operating costs and increasing revenues to support debt. This can be a significant incentive to create a more feasible project, particularly in the early years.</li> </ul>
13	<b>Relief of Sales Tax on Construction Materials</b>	▶ Local Industrial Development Authority	<ul style="list-style-type: none"> <li>▶ Eliminating the requirement to pay sales tax on construction materials can significantly reduce project costs, thereby reducing debt and equity requirements of hotel projects.</li> </ul>
14	<b>Publicly Leased Land</b>	▶ Local Industrial Development Authority or public entity	<ul style="list-style-type: none"> <li>▶ In the event the public sector owns the land intended for development of a hotel project, a land lease can be used to lower the cost of the hotel project by reducing land costs. The terms of the land lease would be negotiated based on achieving the public sector's objectives for job creation and tourism, while providing a financial tool to assist the developer to achieve a financially viable project.</li> </ul>
15	<b>Tax or PILOT Increment Financing</b>	▶ Municipalities	<ul style="list-style-type: none"> <li>▶ In NY State a PILOT Increment Financing District, allows a municipality to enter into an agreement with a property owner to use all or a portion of the incremental PILOT payments to fund needed capital improvements related to the project. It is similar to a TIF but is often used in NY State as an alternative.</li> </ul>
16	<b>NY Main Street Program</b>	▶ NYS Office of Community Renewal	<ul style="list-style-type: none"> <li>▶ Provides funds to municipalities and non-profits to improve downtowns through targeted commercial/residential improvements such as façade renovations, interior commercial/residential upgrades, and streetscape enhancements, excluding new construction.</li> <li>▶ <a href="http://www.nyshcr.org/programs/hymainstreet/">http://www.nyshcr.org/programs/hymainstreet/</a></li> </ul>

## 2 Regional Overview

### Development Context – Incentives (continued)

1	Executive Summary
<b>2</b>	<b>Regional Overview</b>
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

#	Program	Source	Description
17	<b>Smart Growth Grants</b>	<ul style="list-style-type: none"> <li>▶ NYS Department of State/ NYS Department of Environmental Conservation</li> </ul>	<ul style="list-style-type: none"> <li>▶ This grant program is funded through the State Environmental Protection Fund, and is awarded to communities in the Adirondack Park, Central Catskills, and Lower Hudson Valley. These funds support smart growth goals via a series of competitive grants to municipalities and non-profit partner organizations.</li> <li>▶ <a href="https://www.dos.ny.gov/opd/grantOpportunities/epf_smartgrowthGrants.html">https://www.dos.ny.gov/opd/grantOpportunities/epf_smartgrowthGrants.html</a></li> </ul>
18	<b>Local Waterfront Revitalization Program</b>	<ul style="list-style-type: none"> <li>▶ NYS Department of State</li> </ul>	<ul style="list-style-type: none"> <li>▶ This program offers local municipalities State funding to support the revitalization of areas on the State's coastline or along designated inland waterways. To access this funding communities must prepare and adopt a local planning document that addresses the issues many waterfront locations face.</li> <li>▶ <a href="https://www.dos.ny.gov/opd/programs/lwrp.html">https://www.dos.ny.gov/opd/programs/lwrp.html</a></li> </ul>
19	<b>Brownfields Grant Funding</b>	<ul style="list-style-type: none"> <li>▶ US Environmental Protection Agency</li> </ul>	<ul style="list-style-type: none"> <li>▶ Provides direct funding for Brownfields assessment, cleanup, revolving loans, and environmental job training.</li> <li>▶ <a href="https://www.epa.gov/brownfields/types-brownfields-grant-funding">https://www.epa.gov/brownfields/types-brownfields-grant-funding</a></li> </ul>
20	<b>Brownfield Opportunity Area</b>	<ul style="list-style-type: none"> <li>▶ NYS Department of State</li> </ul>	<ul style="list-style-type: none"> <li>▶ This grant program provides resources to New York communities to establish effective revitalization strategies that return dormant and blighted parcels into productive, catalytic properties.</li> <li>▶ <a href="https://www.dos.ny.gov/opd/programs/brownFieldOpp/index.html">https://www.dos.ny.gov/opd/programs/brownFieldOpp/index.html</a></li> </ul>
21	<b>Historic Tax Credits</b>	<ul style="list-style-type: none"> <li>▶ National Park Service</li> </ul>	<ul style="list-style-type: none"> <li>▶ This program encourages private sector investment in the rehabilitation and re-use of historic buildings.</li> <li>▶ <a href="https://www.nps.gov/tps/tax-incentives.htm">https://www.nps.gov/tps/tax-incentives.htm</a></li> </ul>



## 2 Regional Overview

### Development Context – Demographic Data

1	Executive Summary
2	<b>Regional Overview</b>
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

The following demographic data provides a context for understanding the development potential within the Adirondack (“ADK”) and Thousand Island (“TI”) Regions. For the purpose of this section, the ADK Region includes Clinton, Essex, Franklin, Hamilton and Warren Counties, and the TI Region includes Jefferson, Lewis, and St. Lawrence Counties. For comparison and context, statistics for New York State (“NYS”) and for NYS excluding the Metropolitan Commuter Transportation District\* (“NYS w/o MCTD”) are also included. Generally, the demographic data indicates these regions face important demographic and economic challenges, but have populations that may be well-suited for jobs in the hospitality industry.

### Population

**Population Trends by Geography – 2010, 2017, and 2022**

Geography	2010	% of NYS	2017	% of NYS	2022	% of NYS	2010-2017 CAGR	2017-2022 CAGR
ADK Region	243,640	1.3%	244,659	1.2%	245,559	1.2%	0.1%	0.1%
TI Region	255,260	1.3%	264,403	1.3%	268,322	1.3%	0.5%	0.3%
NYS w/o MCTD	6,339,276	32.7%	6,411,286	31.9%	6,441,465	31.3%	0.2%	0.1%
NYS Total	19,378,102	100.0%	20,096,494	100.0%	20,596,596	100.0%	0.5%	0.5%

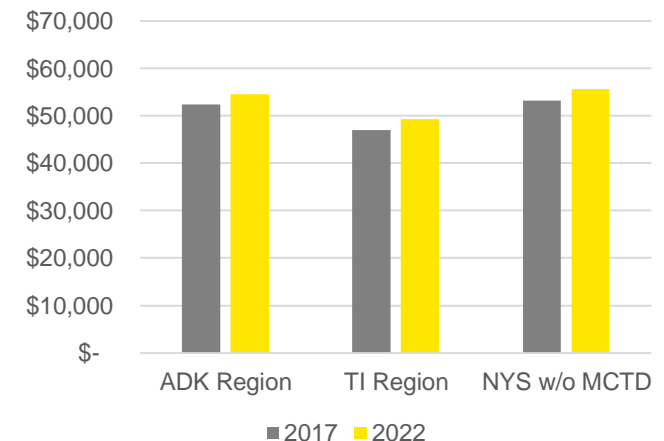
Source: Esri

- ▶ The ADK and TI regions are comprised of small towns, rural areas, and forest preserves, containing only 2.5% of the New York State (“NYS”) population, but 25% of the land area.
- ▶ Although population growth in these communities is below the NYS average, and reflects national trends for rural areas compared with more densely populated areas, Esri estimates slight growth here and throughout the NYS w/o MCTD in the next five years.

### Median Household Income

- ▶ Median household incomes in the ADK and TI regions are slightly below levels for NYS w/o MCTD.
- ▶ While the ADK region had a slightly higher median household income than the TI region in 2017, its household incomes are expected to grow at a slower rate during the next five years.
- ▶ The compounded annual growth rate (“CAGR”) in median household incomes between 2017 and 2022 for the ADKs and TIs is expected to be similar to growth experienced throughout the NYS w/o MCTD.
- ▶ Given current median household income levels for the ADKs and TIs, certain hospitality jobs would likely attract potential applicants.

**Median Household Income Projection by Geography**



Source: Esri

\*Metropolitan Commuter Transportation District includes New York City, and the counties of Dutchess, Rockland, Nassau, Suffolk, Orange, Putnam, and Westchester

## 2 Regional Overview

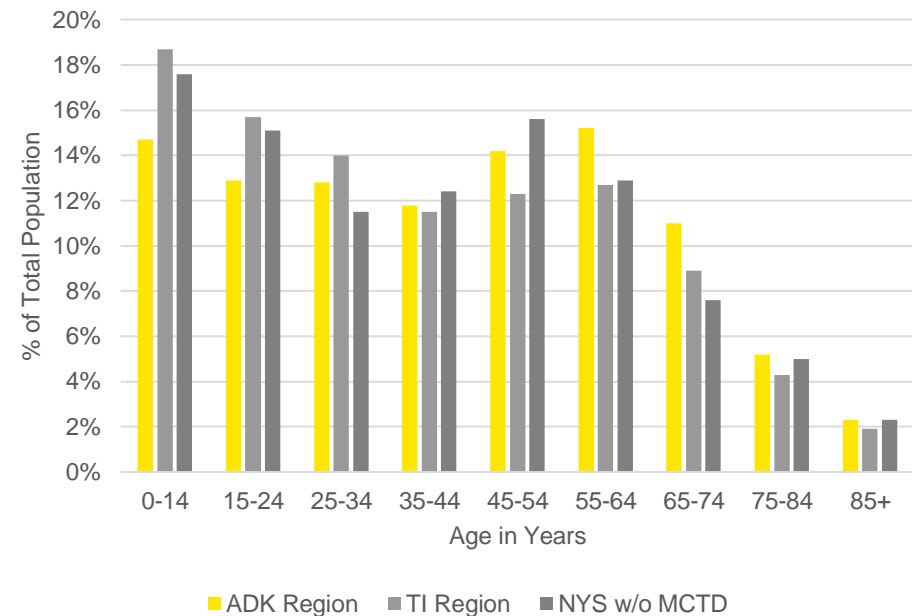
### Development Context – Demographic Data

1	Executive Summary
2	<b>Regional Overview</b>
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

### Population by Age

- ▶ The population in the ADKs is older than in the TIs and in NYS without the MCTD, having the highest percentage of residents in every age cohort over 55 years old. This reflects the more limited job opportunities available in the region, as well as the current preference for people in their 20s and 30s to seek out more dense residential (urban) environments.
- ▶ In contrast, the TIs have a younger population than for NYS without the MCTD, with the TIs having the highest percentage of residents in every age cohort below 35 years old.
- ▶ NYS without the MCTD has a higher percentage of residents in the 35 to 44 and 45 to 54 cohorts than either the ADKs or the TIs. As workers tend to reach peak earning potential in their mid to late 40s, they may prefer locations with higher income levels and more professional opportunities than the North Country.
- ▶ Between 2010 and 2017 the median age in the ADKs increased at a slightly faster rate than for the TIs or NYS without the MCTD.
- ▶ By 2022, the median ages for the ADKs, TIs, and NYS without the MCTD are expected to increase to 44.2, 37.3 and 42.0 years, respectively.

Population by Age - 2017



Trends in Median Age by Geography – 2010, 2017, 2022

Geography	2010	2017	2022	2010-2017 CAGR	2017-2022 CAGR
ADK Region	41.5	43.2	44.2	0.6%	0.5%
TI Region	35.3	36.3	37.3	0.4%	0.5%
NYS w/o MCTD	40.0	41.2	42.0	0.4%	0.4%

Source: Esri

## 2 Regional Overview

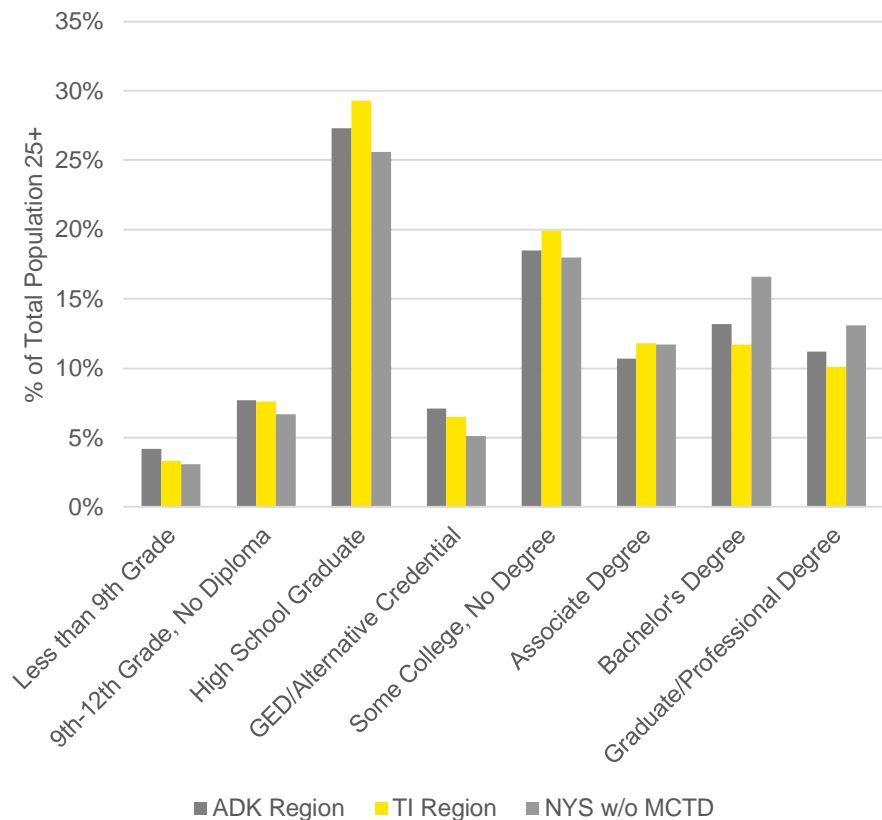
### Development Context – Demographic Data

1	Executive Summary
<b>2</b>	<b>Regional Overview</b>
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

### Educational Attainment

- ▶ Educational attainment for the regional and statewide populations over 25 years old was obtained and analyzed to understand how residents' existing education levels compare to the needs of the hospitality industry.
- ▶ The data may also provide an understanding of the potential need for training programs to maximize employment opportunities within this industry for local residents.
- ▶ Residents in the ADKs and TIs fall below the NYS without MCTD average for the percentage of residents with Bachelors or Graduate/Professional Degrees. While nearly 30% of NYS w/o MCTD residents have these degrees, only 24% of ADK residents and 22% of TI residents have them.
- ▶ Further, the percentage of regional populations without a high school diploma is slightly higher than in the NYS without MCTD.
- ▶ North Country residents are more likely to have high school diplomas (or equivalent) or Associate degrees than for the NYS without MCTD. In the ADKs, 64% of residents have this educational attainment, while 68% of TI residents do; statewide, 51% of residents have high school diplomas or Associate Degrees.
- ▶ As such, educational attainment in the North Country appears appropriate for many of the lower-skill/entry level positions in the hospitality industry.
- ▶ However, higher paying jobs at hotels (general managers, marketing managers, engineers, etc.) may require additional training or experience, or may have a more limited pool of applicants.

**Educational Attainment (Pop 25+) - 2017**



Source: Esri

## 2 Regional Overview

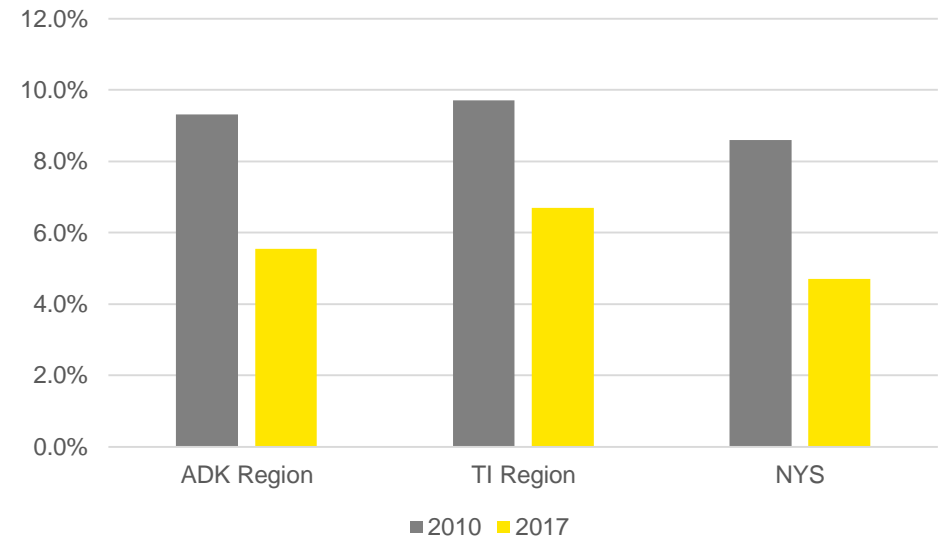
### Development Context – Demographic Data

1	Executive Summary
2	<b>Regional Overview</b>
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

### Unemployment

- ▶ According to the NYS Department of Labor, the average annual unemployment rate in 2017 for the ADK Region, was 5.5%, compared with 6.7% for the TI Region, and 4.7% for NYS overall. According to Esri, the 2017 unemployment rate for the NYS w/o MCTD was 4.9%, slightly higher than the statewide average but below the ADKs and TIs
- ▶ While the average annual unemployment rates for the ADKs, TIs, and NYS\* decreased significantly between 2010 and 2017, unemployment rates in the ADKs and TIs remain higher than the Statewide average, indicating slower job growth in these regions compared with other locations in New York State.
- ▶ As such, the NYS unemployment rate decreased over 45% between 2010 and 2017, a much larger decrease than the 41% in the ADKs and 31% in the TIs.
- ▶ The higher unemployment rates in the ADKs and TIs might imply that new businesses would be able to readily find staff; however, interviews with market participants suggested otherwise.
- ▶ First, the local populations are spread over a vast geographic area (2.5% of the NYS population in 25% of the NYS land area), so employment opportunities may not be proximate to unemployed residents. This problem is amplified by the winter weather that impacts vehicular transportation throughout the North Country.
- ▶ Second, unemployed North Country residents may not possess the skills and training required for certain jobs, as evidenced by the educational attainment data on the previous page.

### Annual Average Unemployment Rate – 2017



Source: NYS Department of Labor

### Unemployment Rate Trends – 2010 – 2017

Geography	2010	2017	% Decrease
ADK Region	9.3%	5.5%	40.5%
TI Region	9.7%	6.7%	31.1%
NYS	8.6%	4.7%	45.3%

Source: NYS Department of Labor

\* Annual average unemployment data was not available for NYS w/o MCTD for 2010



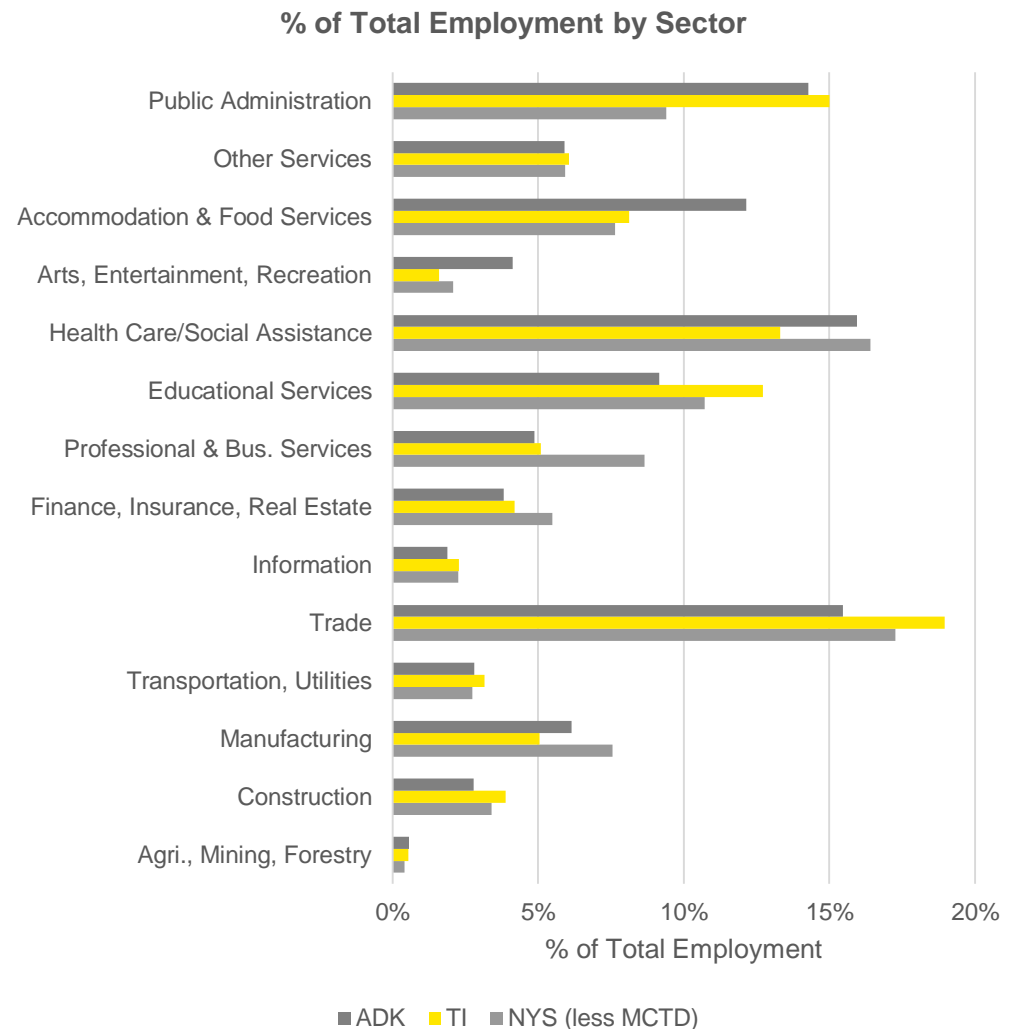
## 2 Regional Overview

### Development Context – Demographic Data

1	Executive Summary
2	<b>Regional Overview</b>
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

### Employment by Sector

- ▶ Employment by sector was analyzed for the ADKs, TIs, and NYS w/o MCTD to better understand the importance of each sector to the region's economy and to identify potential for increased hospitality industry employment.
- ▶ Public administration is a much larger contributor to the North Country economy than to the NYS w/o MCTD.
- ▶ In the ADKs, the percentage of total employment in the Accommodation & Food Services and Arts, Entertainment, & Recreation sectors is significantly higher than for NYS w/o MCTD, employing one in every six employees in the Region. This illustrates the importance of tourism to the ADKs' economy, and suggests an existing base level of employees with industry experience.
- ▶ In the TIs, the percentage of total employment in the Accommodation & Food Services sector is only slightly higher than for NYS w/o MCTD, but it still represents the fifth largest employment sector in the Region. As such, employees in the TIs also have hospitality industry experience.
- ▶ The Trade sector is the largest in the TI Region, employing nearly one in every five residents. This concentration in the Trade sector may contribute to the Region's relatively lower median household incomes.
- ▶ The table on the following page presents the number of employees by sector for the ADKs, TIs, and NYS w/o MCTD.



Source: Esri

## 2 Regional Overview

### Development Context – Demographic Data

1 Executive Summary
<b>2 Regional Overview</b>
3 Lodging Market Overview
4 Lodging Market Opportunities
5 Appendices

#### Employment by Sector – 2017

Industry Sector	ADK Region	TI Region	NYS w/o MCTD
Agri., Mining, Forestry	857	552	14,363
Construction	4,196	3,936	116,153
Manufacturing	9,236	5,119	256,955
Transportation, Utilities	4,223	3,210	93,534
Trade	23,243	19,252	587,357
Information	2,851	2,320	77,195
FIRE	5,753	4,247	186,657
Professional & Bus. Services	7,335	5,182	294,327
Educational Services	13,767	12,907	365,047
Health Care/Social Assistance	23,976	13,508	558,282
Arts, Entertainment, & Recreation	6,210	1,622	70,699
Accommodation & Food Services	18,271	8,250	259,734
Other Services	8,870	6,148	201,614
Public Administration	21,469	15,227	319,834
Total	150,257	101,480	3,401,751

Source: Esri

#### Conclusion

- ▶ Demographic data for the ADKs and TIs illustrate the challenges confronting these Regions, including lagging behind Statewide averages in population and job growth.
- ▶ However, given tourism trends and the Region's many natural attributes, the North Country is well-positioned to attract new lodging development and provide increasing economic opportunities for its existing and future residents.
- ▶ Due to the large land area and dispersed locations of potential employees, housing in new and expanding lodging markets may be required to retain employees and reduce turnover.

# 3

## Lodging Market Overview





### 3 Lodging Market Overview

## Critical Success Factors for Sustainable Lodging Development

1	Executive Summary
2	Regional Overview
3	<b>Lodging Market Overview</b>
4	Lodging Market Opportunities
5	Appendices

We conducted interviews with institutional hotel developers, investors and/or operators who are active in the North Country and/or similar seasonal, leisure-focused markets; this primary research supplemented our foundational industry knowledge and experience regarding the considerations and requirements for successful lodging development in such markets, as presented below.

### Programmatic

- ▶ Partner with a qualified developer experienced in seasonal markets (see Appendix 5 for additional details); the developer should either be an experienced hotel owner/operator or have relationships with reputable third-party management companies with relevant experience
- ▶ Developer should have strong familiarity with New York State and local regulations that could impact lodging development
- ▶ A variety of indoor and seasonal amenities will help mitigate demand troughs in the winter season, and provide ancillary revenue sources
  - ▶ Indoor: spa, meeting space, game room, small cinema/entertainment facility, water park, bowling alley
  - ▶ Seasonal Outdoor: skating rink, ice fishing, snow shoeing, fire pits, outdoor hot tub
  - ▶ Events: winter carnivals, ice sculpture contests, art/antique shows
- ▶ Unique outdoor spaces will help to attract social and commercial groups, and associations during peak and shoulder seasons:
  - ▶ Flexible outdoor event space can create a destination for guests (e.g. a small amphitheater, lake-front pavilion, small ceremony sites for weddings)
- ▶ A location with easy access to an interstate highway will help to attract commercial group demand, which in turn would support weekday occupancy, especially during slower months
- ▶ In some markets, it may be necessary to develop employee housing to accommodate necessary labor (particularly in the peak season).

### Operational

- ▶ Affiliation with a brand should be considered based on the following:
  - ▶ The associated cost (e.g. fees), which may not be justified by the revenue generated in a seasonal, leisure-oriented market
  - ▶ The potential drag on ADR from redemption of loyalty program rewards, which is typical in seasonal leisure destinations
- ▶ A brand may be appropriate in markets where there is less seasonality, the location is not an established destination, and/or guests value brand standards and consistency (e.g., commercial groups). A brand also provides some degree of comfort for lenders and may facilitate financing.
- ▶ Consider the spending patterns of guests from typical feeder markets, including price-sensitivity and allocation of time and dollars spent (e.g., lodging, food & beverage, attractions/events/activities, shopping)
- ▶ An analysis of existing area amenities will also help to define the chain scale and service level required for a market. For example, if local restaurants tend to close during off-season, a lodging facility with a food and beverage offering should be considered.
- ▶ Select a market that is already known for some “anchor” events, and create additional events to draw from both current and new demand segments
- ▶ A partnership with a reputable hotel developer/operator that is experienced in seasonal markets is likely to enhance operating performance through efficient staffing and expense control, as well as practical and creative revenue management strategies, especially during the off-season. An institutional developer/operator will also enhance the project’s attractiveness to investors and lenders.



### 3 Lodging Market Overview

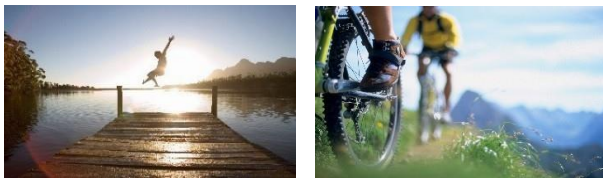
#### Adirondacks

1	Executive Summary
2	Regional Overview
3	<b>Lodging Market Overview</b>
4	Lodging Market Opportunities
5	Appendices

In order to provide context for the current state of the lodging sector in the Adirondacks, this page and the following page present an overview of demand and supply dynamics in the region, including a sample of the top activities, events/festivals and attractions (based on discussions with market participants and prevalence on travel and social media websites), as well as the inventory of lodging supply by type of accommodation.

#### Demand

##### Summer Activities:



- ▶ Boating
- ▶ Kayaking, Canoeing
- ▶ Whitewater rafting
- ▶ Swimming
- ▶ Fishing
- ▶ Hiking
- ▶ Biking
- ▶ Leaf peeping (Fall)
- ▶ Golfing
- ▶ Lake cruises

##### Winter Activities:



- ▶ Alpine, Nordic/ Cross-Country Skiing
- ▶ Snow-shoeing
- ▶ Snowmobiling
- ▶ Ice Fishing

##### Events/Festivals:

- ▶ **Bass Fishing Tournaments**, 25+ from the spring through fall, *Plattsburgh, Ticonderoga*
- ▶ **Mayor's Cup Festival and Regatta**, July, *Plattsburgh*
- ▶ **Saranac Lake Winter Carnival**, February, *Saranac Lake*
- ▶ **Northern Challenge Ice Fishing Derby**, February, *Tupper Lake*
- ▶ **Hudson River Whitewater Derby**, May, *North Creek*
- ▶ **Adirondack Challenge**, July, *Indian Lake*
- ▶ **Cycle Adirondacks**, June-September, *Various Locations*
- ▶ **Tinman Triathlon**, June, *Tupper Lake*
- ▶ **Adirondack Antiques Show**, September, *Indian Lake*
- ▶ **Adirondack Canoe Classic, 90-Miler**, September, *Old Forge to Saranac Lake*

##### Attractions:

- ▶ **ORDA Olympic Venues**, *Wilmington, Lake Placid*
- ▶ **Fort Ticonderoga**, *Ticonderoga*
- ▶ **The Flume**, *Wilmington*
- ▶ **Lake Champlain**, *Various*
- ▶ **Whiteface Mountain**, *Wilmington*
- ▶ **Gore Mountain**, *North Creek*
- ▶ **The Wild Center**, *Tupper Lake*
- ▶ **Adirondack Wildlife Refuge**, *Wilmington*
- ▶ **The Adirondack Experience**, *Blue Mountain Lake*
- ▶ **Adirondack Public Observatory**, *Tupper Lake*
- ▶ **Lake George attractions**, *Lake George*
- ▶ **Ausable Chasm**, *Keeseville*

#### Summary

The Adirondack Park is the focal point of the region, with its mountains, lakes, rivers and forests that will remain “Forever Wild” due to Article XIV of the New York State Constitution. The Park’s pristine natural beauty and renowned recreational opportunities attracts visitors from all over the world. They are drawn to the area’s hiking, boating, rafting, fishing, canoeing, biking, and leaf “peeping” during the warmer months, and the Alpine and Nordic skiing, snowmobiling, ice fishing, snowshoeing, snowmobiling, ice skating, and hockey in the winter months. However, due to winter weather, demand is more seasonal in markets that do not offer winter activities and favors the warmer months. The majority of markets in the Adirondacks are largely reliant on the leisure segment and groups (social functions and large events/festivals).

### 3 Lodging Market Overview

#### Adirondacks

1	Executive Summary
2	Regional Overview
3	<b>Lodging Market Overview</b>
4	Lodging Market Opportunities
5	Appendices

## Supply

### Overview:

- ▶ Inventory primarily consists of limited-service (without F&B) budget/economy through upscale chain scales
- ▶ Full-service lodging facilities limited to a few well established/significant hotels
- ▶ Most lodging facilities are family-owned operations with few institutionally managed
- ▶ Mix of unaffiliated (independent) and branded hotels depending on the market (e.g., the branded Curio by Hilton in Saranac Lake versus the independent Whiteface Lodge in Lake Placid)
- ▶ Other lodging options include:
  - ▶ Bed and breakfasts, upkeep ranges from good to outdated/aged, depending on the market
  - ▶ Motels
  - ▶ Camping, RV sites
  - ▶ Cottages, cabins
  - ▶ Home sharing/vacation rentals are generally more upscale and superior in condition

- ▶ **Hotel Properties<sup>1</sup>: 121**
- ▶ **Alternative Lodging<sup>2</sup>: 1,000+**

Hotels <sup>1</sup>	121
<b>LUXURY</b>	<b>5</b>
Branded	-
Independent	5
<b>UPPER UPSCALE</b>	<b>12</b>
Branded	1
Independent	11
<b>UPSCALE</b>	<b>13</b>
Branded	3
Independent	10
<b>UPPER MIDSACLE</b>	<b>14</b>
Branded	6
Independent	8
<b>MIDSCALE</b>	<b>26</b>
Branded	6
Independent	20
<b>ECONOMY</b>	<b>51</b>
Branded	9
Independent	42

Alternative Lodging Options	# of Identified Facilities <sup>2</sup>
<b>Camp Grounds</b>	180
<b>Bed and Breakfasts/ Inns</b>	35
<b>Vacation Rentals <sup>3</sup></b>	700+

<sup>1</sup> Based on all properties listed by Smith Travel Research (reporting and non-reporting);

<sup>2</sup> Estimates based on review of visitadirondacks.com, adirondackbb.com, bedandbreakfast.com

<sup>3</sup> Based on a survey of AirDNA.com: Lake Placid, Saranac Lake, Tupper Lake, Ticonderoga, North Creek, Blue Mountain Lake, and Wilmington

### 3 Lodging Market Overview

## SWOT (Strengths, Weaknesses, Opportunities and Threats) – Adirondacks

1	Executive Summary
2	Regional Overview
3	<b>Lodging Market Overview</b>
4	Lodging Market Opportunities
5	Appendices

### Strengths

- ▶ Offers a variety of family-friendly leisure attractions, events/festivals and activities year-round
- ▶ Some markets, such as Lake Placid, Wilmington and North Creek, offer a variety of leisure attractions and activities in both summer and winter, thereby partially mitigating the seasonality that commonly impacts the region. As a result, annual visitation in the Adirondacks is less seasonal than the Thousand Islands, at 60% during warmer months (April – September) and 40% during the colder months (October through March), according to the 2016 Adirondacks Visitor Report produced by Longwoods International.
- ▶ Access to most markets within the region is good with I-87, I-90 and I-81 connecting the region to New York City, Canada, and other feeder markets. The region also has seven Amtrak stations, and two commercial airports (Plattsburgh International Airport and Adirondack Regional Airport in Saranac Lake). The Adirondack region also benefits from its proximity to Vermont and the Burlington International Airport.
- ▶ In a 2016 survey produced by Longwoods International, 77% of respondents identified themselves as repeat visitors, indicating strong visitor loyalty to the region
- ▶ There were approximately 12 million visitors to the Adirondacks in 2016, which accounts for approximately 64% of visitation to the North Country
- ▶ Community sentiment is generally supportive of tourism development as a catalyst for general economic improvement
- ▶ A strong regulatory environment maintains areas of pristine natural beauty
- ▶ The many colleges and educational institutions provide both demand generators as well as opportunities for labor training partnerships
- ▶ Whiteface Mountain has the longest vertical drop of any ski mountain on the east coast, and Gore has the most skiable acreage in New York State, differentiating and enhancing the competitive position of the region

### Weaknesses

- ▶ Some markets within the region are heavily oriented toward summer activity, with few demand generators for shoulder- and off-season months
- ▶ A general lack of large businesses in the area creates limited commercial demand, which tends to be less price sensitive and provides a more consistent occupancy base
- ▶ Most hotels are family-owned and operated with few institutionally managed properties
- ▶ According to the 2016 Adirondacks Visitor Report produced by Longwoods International, over half of the domestic travel market to the Adirondacks is composed of day trips (57%)
- ▶ According to the same Longwoods International survey, over 60% of visitors to the Adirondacks region visited Lake Placid and Lake George, while only 40% visited the remainder of the region
- ▶ Principal reasons for not visiting the Adirondacks were distance and relative lack of accessibility, according to the survey
- ▶ Weak historic lodging market performance in some markets due partially to a lack of diversity in lodging product and area demand generators
- ▶ Supporting infrastructure, such as wi-fi and cellular service, sewer and water is limited in some markets within the region
- ▶ During winter months, some roadways can be negatively impacted by severe weather, rendering some locations inaccessible
- ▶ Demand can be negatively impacted by a general lack of critical mass of supporting business, a lack of online booking capabilities, and a lack of transportation options

### 3 Lodging Market Overview

## SWOT (Strengths, Weaknesses, Opportunities and Threats) – Adirondacks

1	Executive Summary
2	Regional Overview
<b>3</b>	<b>Lodging Market Overview</b>
4	Lodging Market Opportunities
5	Appendices

### Opportunities

- ▶ Anchor attractions located across the region – such as Whiteface, Gore, Wild Center, ADK Experience, Fort Ticonderoga – support the development of nearby lodging
- ▶ The scenic and natural beauty of locations across the region, (e.g., proximity to lakes) and access to recreational activities supports the development of nearby lodging
- ▶ Plattsburg International Airport recently underwent a \$55 million expansion that is estimated to ultimately accommodate annual passenger volume of 300,000. The airport now has direct flights to/from Ft. Lauderdale, FL; Orlando, FL; Myrtle Beach, SC; and Washington Dulles (beginning 7/18)
- ▶ Lake Placid was selected to host the 2019 International Children's Winter Games and the 2023 Winter World University Games, enhancing the region's global notoriety
- ▶ As leisure is the primary reason for visitation to the region, continued investment in leisure demand generators can boost visitation as guests have additional reasons to visit and/or extend their stay
- ▶ New or enhanced shoulder- and off-season attractions will potentially mitigate seasonal demand patterns; examples include the addition of summer activities in Ski Bowl Village in North Creek, the proposed \$45 million development of a museum in Fort Ticonderoga adjacent to the Fort, and the recent and proposed renovation and expansion of the Adirondack Experience
- ▶ Opportunity to leverage Lake George and Lake Placid as anchors for region-wide itineraries
- ▶ Target existing base of repeat visitors by creating and marketing varied itineraries throughout the region, as well as enhance and/or create new attractions in existing destinations, thereby increasing length of stay
- ▶ Given the significant proportion of repeat vs. new visitors, potential exists to increase market share of new visitors by enhancing market awareness of the region, with the potential to ultimately create incremental repeat visitation

### Threats

- ▶ Seasonal market, driven by winter weather; requires investment in infrastructure, amenities and demand generators, and incentives to close the financing gap for hotel developments
- ▶ Qualified labor is scarce in many markets (due to remote locations, shrinking populations and lack of workforce participation), particularly during peak season
- ▶ Investment required (monetary and time) to enhance general tourism industry in some markets may impede near-term viability of some lodging projects
- ▶ Some markets in the region, have a committed environmental activist community, which has created challenges for past developments
- ▶ Distance of some markets from the interstate or regional airports will limit their ability to increase meeting and group demand. According to industry participants, this segment typically considers ease of access as a top priority.
- ▶ Financing for hotel development may be challenging due to seasonal markets, inexperienced developers, historic market performance and/or lack of brand affiliation for hotel developments (which may be more appropriate operationally, but offputting to lenders); can be partially mitigated by state and local incentives



### 3 Lodging Market Overview

#### Thousand Islands

1	Executive Summary
2	Regional Overview
3	<b>Lodging Market Overview</b>
4	Lodging Market Opportunities
5	Appendices

In order to provide context for the current state of the lodging sector in the Thousand Islands, this page and the following page present an overview of demand and supply dynamics in the region, including a sample of the top activities, events/festivals and attractions (based on discussions with market participants and prevalence on travel and social media websites), as well as the inventory of lodging supply by type of accommodation.

## Demand

### Summer Activities:



- ▶ Fishing
- ▶ Boating
- ▶ Kayaking
- ▶ Hiking
- ▶ Golfing
- ▶ ATV
- ▶ Diving

### Winter Activities:



- ▶ Snowmobiling
- ▶ Skiing
- ▶ Snowshoeing
- ▶ Ice Fishing
- ▶ Ice Hockey

### Events/ Festivals:

- ▶ **Bass Master Elite Series**, August, *Waddington*
- ▶ **Woodsman's Field Day**, August, *Boonville*
- ▶ **Moedown Music Festival**, *Turin*
- ▶ **Snirt Run**, April, *Barnes Corners*
- ▶ **Antique Boat Show & Auction**, August, *Clayton*
- ▶ **Polar Bear Dip**, February, *Alexandria Bay*
- ▶ **Thousand Islands Bluegrass Festival**, June, *LaFargeville*
- ▶ **Cream Cheese Festival**, September, *Lowville*
- ▶ **Pirate Days**, August, *Alexandria Bay*
- ▶ **Fire & Ice Festival**, February, *Clayton*
- ▶ **French Festival**, July, *Cape Vincent*
- ▶ **CanAm Festival**, July, *Sackets Harbor*
- ▶ **Pond Hockey Festivals & Tournaments**, Throughout winter, *Various Locations*

### Attractions:

- ▶ **St. Lawrence River/The Thousand Islands**
- ▶ **Boldt Castle**, *Alexandria Bay*
- ▶ **Singer Castle**, *Chippewa Bay*
- ▶ **Antique Boat Museum**, *Clayton*
- ▶ **Battlefield State Historic Site**, *Sackets Harbor*
- ▶ **Tibbetts Point Lighthouse**, *Cape Vincent*
- ▶ **Wineries & Breweries**, *Throughout region*
- ▶ **Snowmobile & ATV Trails**, *Lewis County*
- ▶ **Rock Island Lighthouse State Park**, *Clayton*
- ▶ **Clarkson University, SUNY Potsdam, St. Lawrence University, SUNY Canton, Potsdam & Canton**
- ▶ **Frederic Remington Art Museum**, *Ogdensburg*
- ▶ **Seaway Locks & Power Authority**, *Massena*
- ▶ **Scenic Boat Tours**, *St. Lawrence River & Lake Ontario*

## Summary

The Thousand Islands is a region characterized by water activities such as boating and fishing, and hundreds of miles of coastline along the St. Lawrence River with views of the 1,864 islands dotting the river and of Canada beyond. The lodging market is highly seasonal. Summer represents peak season, when second-home owners return to their private camps and tourists visit the enclaves along the coast for the many recreational opportunities, or for events such as weddings, concerts and fishing tournaments. Demand is segmented into leisure, group, commercial and other (government and university), with the majority of markets entirely reliant on the leisure segment and, to a lesser extent, groups (social functions and large events/festivals).

### 3 Lodging Market Overview

#### Thousand Islands

1	Executive Summary
2	Regional Overview
<b>3</b>	<b>Lodging Market Overview</b>
4	Lodging Market Opportunities
5	Appendices

## Supply

### Overview:

- ▶ Inventory primarily consists of limited-service (without F&B) budget/economy to upper-midscale chain scales
- ▶ Full-service lodging facilities are primarily older midscale hotels, many in need of renovation; there are a limited number of upscale properties, however, the Thousand Island's Harbor Hotel could be considered upper-upscale due to its quality of construction and level of amenities
- ▶ Most hotels are family-owned and operated with few institutionally managed
- ▶ The majority of properties are unaffiliated (independent), with branded hotels primarily limited-service product
- ▶ Other lodging options include:
  - ▶ Bed and breakfasts: upkeep ranges from good to outdated/aged, depending on the market
  - ▶ Motels
  - ▶ Cottages, cabins
  - ▶ RV sites, camping
  - ▶ Home sharing/vacation rentals are generally more upscale and superior in condition

- ▶ **Hotel Properties<sup>1</sup>: 86**
- ▶ **Alternative Lodging<sup>2</sup>: 165+**

Hotels <sup>1</sup>	86
<b>LUXURY</b>	-
Branded	-
Independent	-
<b>UPPER UPSCALE</b>	-
Branded	-
Independent	-
<b>UPSCALE</b>	3
Branded	1
Independent	2
<b>UPPER MIDSCALE</b>	15
Branded	11
Independent	4
<b>MIDSCALE</b>	15
Branded	7
Independent	8
<b>ECONOMY</b>	53
Branded	11
Independent	42

Alternative Lodging Options	# of Identified Facilities <sup>2</sup>
Camp Grounds	30
Bed and Breakfasts/ Inns	15
Vacation Rentals <sup>3</sup>	120 – 170

<sup>1</sup> Based on all properties listed by Smith Travel Research (reporting and non-reporting);

<sup>2</sup> Estimates based on review of visit1000islands.com, bedandbreakfast.com

<sup>3</sup> Based on a survey of AirDNA.com: Clayton, Sackets Harbor, Alexandria Bay, Ogdensburg, Waddington, and Massena. Results were cross referenced with AirBNB

### 3 Lodging Market Overview

## SWOT (Strengths, Weaknesses, Opportunities and Threats) – Thousand Islands

1	Executive Summary
2	Regional Overview
<b>3</b>	<b>Lodging Market Overview</b>
4	Lodging Market Opportunities
5	Appendices

### Strengths

- ▶ Large portion of the region is located along the St. Lawrence River and Lake Ontario shore, allowing direct access to the water (the most significant demand generator in the area)
- ▶ Offers a variety of family-friendly leisure attractions, events/festivals and recreational activities for the summer season
- ▶ Seasonality is mitigated in the Canton/Potsdam area due to the presence of four universities (Clarkson University, St. Lawrence University, SUNY Potsdam and SUNY Canton)
- ▶ Access to most markets is generally good with I-81 connecting the region to points south (e.g. Syracuse, Albany) and northwest (Canada), and the availability of three commercial airports in Watertown, Ogdensburg and Massena. The region also has three bridges to/from Canada, allowing for easy access from the major cities of Ottawa and Montreal.
- ▶ According to a 2016 study by the Thousand Islands International Tourism Council, 32% of respondents identified themselves as repeat visitors; while this is not as significant as the proportion of repeat visitors to the Adirondacks, it represents a solid foundation of loyal visitors
- ▶ Generally strong cellular/wifi connectivity and supporting infrastructure for lodging development
- ▶ Community sentiment is generally supportive of tourism development as a catalyst for general economic improvement

### Weaknesses

- ▶ Sustaining year-round demand is difficult with limited winter/ all-season activities and closure of many principal attractions and restaurants in the off-season
- ▶ Weak historic lodging market performance in some markets due partially to a lack of diversity in lodging product and area demand generators
- ▶ Many hotels are older and in need of renovation
- ▶ Most hotels are family-owned operations with few institutionally managed properties
- ▶ There are no passenger train lines that operate in the region; the nearest Amtrak stations are in Utica and Syracuse, NY, which is outside the region
- ▶ Concentration of businesses in Watertown and Fort Drum creates limited commercial demand, which tends to be less price sensitive and provides a more consistent occupancy base
- ▶ There is unaccommodated conference demand in the university market areas within St. Lawrence County due to the lack of adequate off-site lodging and meeting facilities
- ▶ A lack of restaurant and lodging options topped the list of amenities identified as missing in the region by respondents of a recent tourism survey by Thousand Islands International Tourism Council
- ▶ During winter months, some roadways can be negatively impacted by severe winter weather, rendering some locations inaccessible

### 3 Lodging Market Overview

## SWOT (Strengths, Weaknesses, Opportunities and Threats) – Thousand Islands

1	Executive Summary
2	Regional Overview
<b>3</b>	<b>Lodging Market Overview</b>
4	Lodging Market Opportunities
5	Appendices

### Opportunities

- ▶ According to a 2016 study by the Thousand Islands International Tourism Council, less than 4% of annual visitation occurs from November through April. Creating attractions and activities in the off-season could help to smooth out visitation throughout the year and bring economic development and greater economic stability to the region.
- ▶ According to Smith Travel Research, the Thousand Islands Seaway had the second largest increase in room nights sold (on a percentage basis) from 2015 to 2016 in New York State, trailing only New York City
- ▶ New or enhanced shoulder- and off-season attractions will potentially mitigate seasonal demand patterns; examples include the initiation of low-impact recreational activities on a 450-acre island near Waddington, development of a small convention center in Sackets Harbor to attract meetings and events, and the extension of ATV trails in Lewis County
- ▶ As leisure is the primary reason for visitation to the region, continued investment in leisure demand generators can boost visitation as guests have additional reasons to visit and/or extend their stay
- ▶ Opportunity to leverage Clayton as an anchor for region-wide itineraries
- ▶ There were approximately 6.8 million visitors to the region in 2016, which accounts for 36% of visitation to the North Country, indicating an opportunity to enhance market awareness of the Thousand Islands as a North Country destination; enhance co-marketing/branding initiatives with Adirondacks
- ▶ Target existing base of repeat visitors by creating and marketing varied itineraries throughout the region, as well as enhance and/or create new attractions in existing destinations, thereby increasing length of stay
- ▶ Improve conversion of first-time visitors to repeat visitors (thereby improving repeat visitor ratio) by creating differentiated and meaningful experiences that will extend beyond the duration of the initial visit

### Threats

- ▶ Highly seasonal market, driven by winter weather patterns, requires investment in infrastructure, amenities and demand generators, and incentives to close the financing gap for hotel developments
- ▶ Some locations have a more distant horizon for sustainable lodging development due to current environmental and/or economic conditions
- ▶ Qualified labor is scarce in many markets (due to remote locations, shrinking populations and lack of workforce participation), particularly during peak season
- ▶ Investment required (monetary and time) to enhance general tourism industry in some markets may impede near-term viability of some lodging projects
- ▶ Distance of some markets from the interstate will limit their ability to increase meeting and group demand. According to industry participants, this segment typically considers ease of access as a top priority.
- ▶ Financing for hotel development may be challenging due to seasonal markets, inexperienced developers, historic market performance and/or lack of brand affiliation for hotel developments (which may be more appropriate operationally, but offputting to lenders); can be partially mitigated by state and local incentives
- ▶ Direct competition with Thousand Islands region of Canada



# 4

## Lodging Market Opportunities



## 4 Lodging Market Opportunities

### Lodging Market Opportunities

1	Executive Summary
2	Regional Overview
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

The table on the following page summarizes our assessment of the current state of the 12 identified lodging markets. Our analysis utilized a holistic approach that accounted not only for commercial success factors, but also economic and social benefits to the local community; as such, established leisure destinations including Lake Placid, Lake George and Queensbury, and self-contained lodging markets with unique supply and demand dynamics (i.e., commercially oriented) including Watertown, Plattsburgh's Central Business District, and Glens Falls, were not considered. It is important to note that the outcome of this analysis does not preclude any specific market from enhancing its lodging potential, but rather identifies the markets across a very large geography where near-term focus could attract interest in lodging development.

Prioritization/ranking of the identified markets was based on Critical Success Factors for sustainable lodging development (weighted and listed in the table on the following page), consistent with lodging industry standards. The table displays the ratings on a scale of 1 to 5, where 1 indicates Not Attained and 5 indicates Fully Attained. The ranking of each market within its respective region is also presented. In the individual market overviews, which are presented in the remainder of this section, these rankings have been displayed as "moons" to create a quick visual reference. The key for this display methodology can be found below, beside the rating table.

Each market overview contains two pages: the first provides an overview of the respective market's characteristics, along with a matrix assessing the market's critical success factors; the second describes the notional profile of a successful lodging product in that market.

## 4 Lodging Market Opportunities

### Lodging Market Opportunities

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

	Weight	Saranac Lake	Lake Champlain	North Creek	Ticonderoga	Wilmington	Tupper Lake	Blue Mountain Lake	Speculator	Waddington	Sackets Harbor	Alexandria Bay	Lyons Falls
<b>CRITICAL SUCCESS</b>		<b>ADIRONDACKS</b>								<b>THOUSAND ISLANDS</b>			
Accessibility	15%	4	5	3	4	3	2	2	3	4	4	3	2
Demand across multiple seasons	15%	4	3	4	2	4	3	3	2	4	3	3	3
Diversified customer base	15%	4	4	3	3	3	3	2	2	4	3	2	2
Potential for new demand generators	15%	3	3	5	4	3	5	4	2	3	3	3	3
Historic lodging market performance	10%	3	4	4	3	NAP	2	NAP	2	NAP	2	2	2
Availability of labor	5%	3	4	2	4	3	3	2	2	3	2	2	3
Tourism Product/Amenities	15%	4	3	3	4	4	4	3	3	3	3	4	3
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)	5%	5	5	2	3	3	5	2	4	4	4	5	3
Community sentiment	5%	3	3	3	4	4	4	3	4	4	4	4	4
<b>TOTAL</b>	<b>100%</b>	<b>3.70</b>	<b>3.70</b>	<b>3.45</b>	<b>3.40</b>	<b>3.36</b>	<b>3.35</b>	<b>2.70</b>	<b>2.50</b>	<b>3.58</b>	<b>3.10</b>	<b>3.00</b>	<b>2.65</b>
<b>Ranking by Region</b>		<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>

Key		
Rating	Symbol	Definition
5	●	Fully Attained
4	◐	Mostly Attained
3	◑	Average
2	◒	Slightly Attained
1	○	Not Attained
NAP	NAP	Not Applicable

## 4 Lodging Market Opportunities

### Adirondacks Region | Essex & Franklin Counties | Saranac Lake Market

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

## Lodging Supply










- ▶ Lodging inventory is composed of full-service hotels, motels, bed & breakfasts and vacation rentals
- ▶ The opening of the boutique 102-room Hotel Saranac Curio by Hilton ("Curio") in early 2018 doubled the inventory
- ▶ Over 100 short-term vacation rentals
- ▶ Paul Smith's College to start offering 400 dorm rooms to summer travelers in 2018
- ▶ Positioning:
  - ▶ Budget/economy through upscale
  - ▶ With the exception of the Curio, hotels are generally dated
  - ▶ Most older properties are located on Lake Flower; Curio in downtown
  - ▶ Short-term rentals range from budget to luxury depending on location and quality
- ▶ Operations:
  - ▶ Ranging from hotel management companies to independent mom & pop motels and bed & breakfasts
  - ▶ Estimated market performance\* (based on interviews with market participants) (does not reflect opening of Curio hotel)

Metric	Peak season (summer/fall)	Off season (winter/spring)	Annual
Occupancy	65% to 75%	20% to 30%	50% to 55%
ADR	\$120 to \$170	\$80 to \$100	\$105 to 110
RevPAR	\$80 to \$130	\$15 to \$30	\$55 to \$60

## Demand Generators

- ▶ Summer:
  - ▶ Hiking (summer, fall), including the Saranac Lake 6er Hiking Challenge
  - ▶ Boating, kayaking, canoeing, swimming on nearby lakes and ponds
  - ▶ ORDA venues/Lake Placid shops, restaurants (15 min drive)
  - ▶ Whiteface Veteran's Memorial Highway (28,500 vehicles annually, plus bikers/hikers)
  - ▶ Leaf peeping (fall)
  - ▶ Trail, road, and mountain biking, including the planned Adirondack Rail Trail
  - ▶ Paul Smith's College VIC ("VIC") – 25 miles of trails (hiking in summer/fall, groomed in winter)
  - ▶ The Wild Center (spring, summer, fall), 30 min drive
- ▶ Winter:
  - ▶ Alpine (Whiteface Mountain) and Nordic skiing; snowshoeing; snowmobiling
  - ▶ Access to Whiteface Mountain Olympic facility
  - ▶ Ice fishing
  - ▶ Winter Carnival/Ice Palace – includes Parade with 3,000 to 5,000 viewers
- ▶ Year-round:
  - ▶ Commercial demand from Trudeau Institute (biomedical research center), hospital, Paul Smith's College, North Country Community College, American Management Association (AMA), and other downtown commercial uses
  - ▶ Arts community in downtown Saranac, especially in the spring and fall
- ▶ New demand generators:
  - ▶ 2018 Curio opening may induce demand with reservation system, high quality guest rooms, and event space (weddings, social events)

## Saranac Lake Market

Attribute	Rating	Rationale
Accessibility		Access via I-87, acceptable drive time from major metro areas for overnight trips; commercial airports in Saranac Lake, Plattsburgh, Burlington
Demand across multiple seasons		Stronger summer and fall, winter overflow demand from Lake Placid/Whiteface; year round commercial demand
Diversified customer base		Primarily leisure travelers, group overflow from Lake Placid, some commercial demand generators
Potential for new demand generators		Potential wedding/social events in Curio
Historic lodging market performance		Few properties, seasonal, 2018 Curio opening added 102 rooms to market
Availability of labor		Problematic, some employees drive up to 60 minutes to work
Tourism Product/ Amenities		Some restaurants, shops in downtown area, also Lake Placid
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)		Infrastructure available throughout market; good wireless/cell service
Community sentiment		Locals support development, however, some community stakeholders have been vocal against development in the area
Rank		<b>1 (Tied with Lake Champlain)</b>

\*May not reflect actual performance



## 4 Lodging Market Opportunities

### Adirondacks Region | Essex & Franklin Counties | Saranac Lake Market

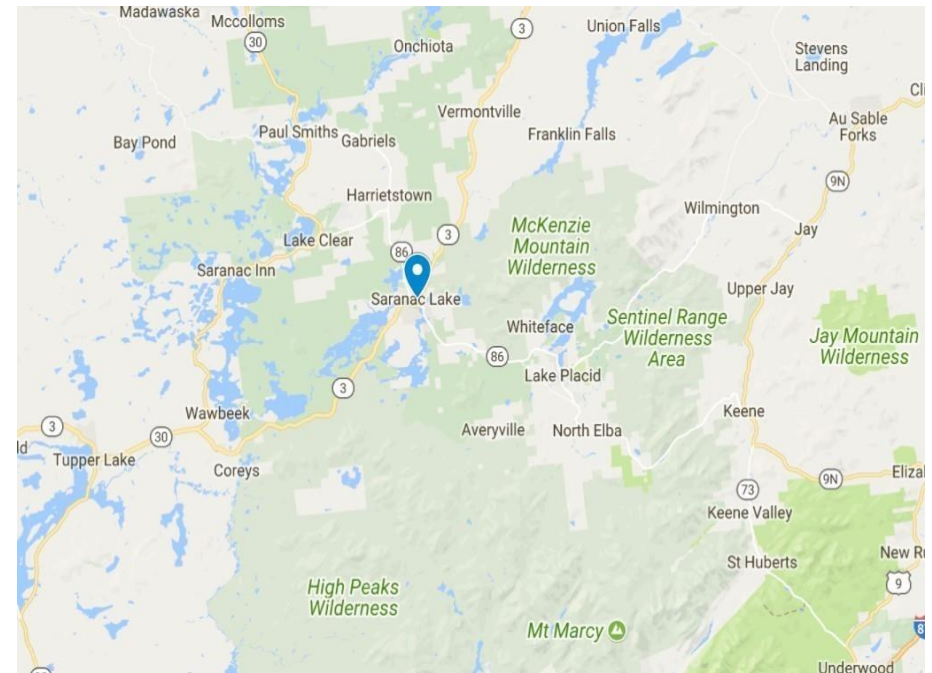
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Notional Profile of a Successful Lodging Project

Factor	Attributes
Product	Select- or full-service <ul style="list-style-type: none"> <li>► Level of F&amp;B and meeting space depends on rate positioning and location</li> </ul>
Positioning	Midscale to Upscale
Branded vs. Unaffiliated	Either, depending on location and hotel product, commercial demand may prefer branded for frequent guest points
Number of Guestrooms	50-99 <ul style="list-style-type: none"> <li>► Depends on: <ul style="list-style-type: none"> <li>► Facilities – sufficient room count for meeting/banquet space</li> <li>► Brand (if any)</li> <li>► Location (in town vs “destination” resort)</li> <li>• Sustainable room count in off-season</li> </ul> </li> </ul>
Lodging Facilities / Amenities	Select-service with restaurant/bar, multipurpose room for small meetings, self service “market”, fitness room Full-service with restaurant, bar, meeting/banquet room for up to 200 guests, recreational amenities (fitness room, pool, etc.)
Locational Priorities	Lake frontage, village center (or within walking distance) in order to take advantage of restaurants, retail, and town events
Target Markets	<ul style="list-style-type: none"> <li>► Guest Profile: Families, couples, singles, business travelers, empty nesters</li> <li>► Primary Feeder Markets: NYC metro, Capital District, Buffalo, Syracuse, Canada</li> </ul>
Potential Supporting Initiatives	Improving existing demand generators including the ORDA facilities in Lake Placid (skating, ski jumping) and Mount Van Hoeven (sliding, Nordic, biathlon): 2023 Winter World University Games reopening of Big Tupper Ski Area, reinvestment in downtown storefronts, and streetscape, more coordinated marketing linking destinations and events across the ADKs such as gonorthny.com program

#### 3 adjectives describing the market:

- Diverse demand
- New hotel
- Accessible



#### Saranac Lake Winter Carnival – Ice Palace



Source: RESGroup fieldwork; local websites

#### Hotel Saranac Curio – Guest Room



## 4 Lodging Market Opportunities

### Adirondacks Region | Clinton County | Lake Champlain Market

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Lodging Supply

- ▶ Lodging inventory is composed of limited-service hotels/motels, B&B's and vacation rentals; there are few hotels proximate to the City of Plattsburgh on Lake Champlain
- ▶ Positioning:
  - ▶ Branded economy, midscale and upper-midscale properties
    - ▶ 10 of 17 hotels in the Town of Plattsburgh are branded and thus comply with brand standards
    - ▶ Upkeep is good relevant to the chain scale
    - ▶ Almost all hotels are located along a commercial corridor in the town, and very few on Lake Champlain
    - ▶ A hotel at Plattsburgh International Airport is under development (reported to be branded, limited-service)
- ▶ RFP process complete and developer is working on getting funding for the proposed hotel adjacent to the Plattsburgh International Airport; hotel feasibility study conducted by Spurrier Consulting
- ▶ The County is improving sewage at the site amongst other airport improvements in accordance with the \$38 million grant received from the State
- ▶ Operations:
  - ▶ Year round operations, with most hotels being operated under national brands
  - ▶ Estimated market performance\* (based on interviews with market participants)

Metric	Peak season (summer)	Off season (winter)	Annual
Occupancy	NA	NA	55% to 65%
ADR	\$160 to \$170	\$80 to \$90	\$105 to \$115
RevPAR	NA	NA	\$60 to \$80

#### Demand Generators

- ▶ Summer:
  - ▶ Five to six bass fishing tournaments held every year: anglers attracted to the area
  - ▶ Mayor's Cup Festival and Regatta: a four-day celebration with sailing, concerts, food and family-friendly activities
  - ▶ The commemoration of the Battle of Plattsburgh: a three-day annual celebration in September with a series of reenactments, historic tours, and family-friendly events and performances
  - ▶ Recreational activities including hiking, sailing on Lake Champlain
  - ▶ Agritourism: wide range of activities including fruit picking, horse-drawn wagon ride etc.
  - ▶ The Plattsburgh City Beach is one of the longest freshwater beaches in America
- ▶ Winter:
  - ▶ Nordic ski trails in the area and Alpine skiing at Whiteface Mountain
  - ▶ Adirondack Sleigh Rides at Country Dreams Farm
- ▶ Year Round Businesses
  - ▶ Businesses in the Plattsburgh area include CVPH Medical Center, SUNY Plattsburgh, Schluter Systems, and B3CG
  - ▶ Plattsburgh International Airport and Amtrak station create in-transit/stopover demand
- ▶ New demand generators:
  - ▶ Plattsburgh International Airport enhanced its operations with a new terminal as enplanements increased from approximately 44,000 in 2008 to 139,000 in 2017
  - ▶ \$55 million expansion finished in Aug. 2017, increasing capacity to 300,000 enplanements; airport has direct flights from Ft. Lauderdale, FL; Orlando, FL; Myrtle Beach, SC; and Boston, MA (ends June 30, 2018)
  - ▶ United Airlines will begin service to Dulles Airport from Plattsburgh in July 2018
  - ▶ Plattsburgh also has an Amtrak train station on the regional line from New York City to Montreal; approximately 13,000 people passed through Plattsburgh in 2017

#### Lake Champlain Market

Attribute	Rating	Rationale
Accessibility	●	International airport, Amtrak station, and located near I-87, proximate to Quebec
Demand across multiple seasons	◐	Airport contributes to demand throughout the year along with businesses, local government and leisure travel; relatively seasonal market with drop-off in winter
Diversified customer base	◐	Business, leisure and events
Potential for new demand generators	◐	The airport expansion has potential to grow visitor traffic significantly, new airport hotel under development; preliminary proposal for developing the city beach with shops, restaurants etc.
Historic lodging market performance	◐	17 hotels in the Plattsburgh area provides evidence for lodging demand, relatively good ADR for lower-priced chain-scale properties
Availability of labor	◐	Ample labor available in the greater Plattsburgh area
Tourism Product/ Amenities	◐	A well-developed city center, nice views of Lake Champlain, festivals and events, ample lodging options with few at the lake
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)	●	Strong cell reception in the area, all utilities available
Community sentiment	◐	Market participants indicated willingness to boost tourism and induce overnight demand by developing the city beach; however, things at standstill since the destination master plan was developed in 2015
Rank		<b>1 (Tied with Saranac Lake)</b>

## 4 Lodging Market Opportunities

### Adirondacks Region | Clinton County | Lake Champlain Market

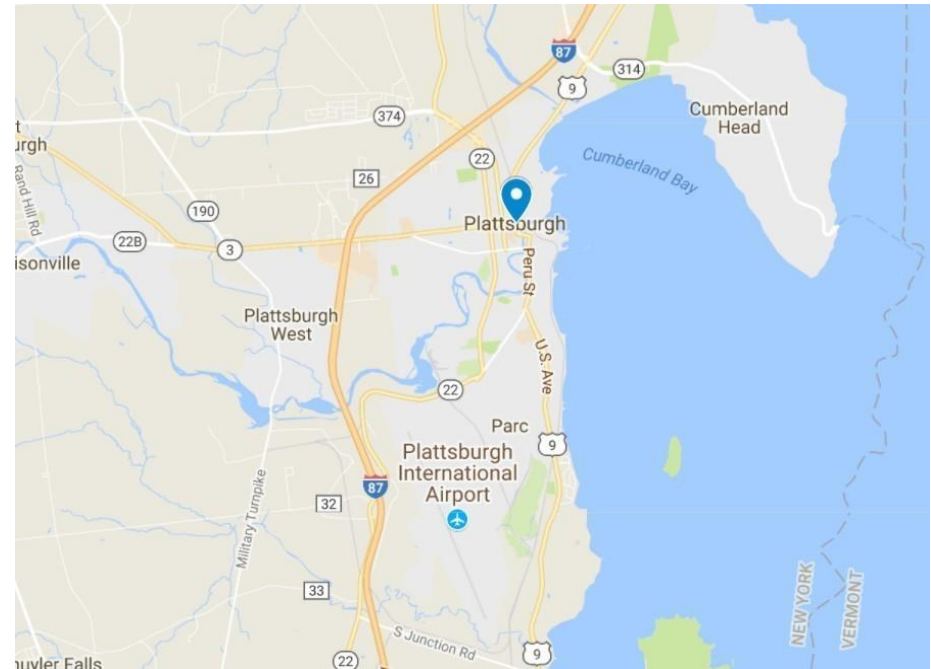
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Notional Profile of a Successful Lodging Project

Factor	Attributes
Product	<p>Full- or select-service</p> <ul style="list-style-type: none"> <li>A full- or select-service hotel with water views and beach access, and oriented towards group and leisure demand; select-service could leverage nearby restaurants if lakefront destination is completed, but should still have ample meeting space</li> </ul>
Positioning	Upscale
Branded vs. Unaffiliated	Branded – A brand may increase distribution and allow participation in group RFPs. Brand awareness/marketing would also increase visibility for transient leisure and commercial demand, and facilitate financing; analysis of franchise fees versus incremental revenues should be considered
Number of Guestrooms	<p>75-99</p> <ul style="list-style-type: none"> <li>Provides sufficient room count to support groups/meetings</li> <li>Market is less seasonal than most in region, supporting larger room count</li> </ul>
Lodging Facilities / Amenities	Bar and restaurant (extent determined by availability of proximate amenities), meeting/banquet space with divisible ballroom, breakout rooms and connectivity to outdoor space with views, indoor pool, fitness center
Locational Priorities	Located on the beach owned by the City of Plattsburgh with waterfront views of Cumberland Bay in order to differentiate from other city hotels and create more leisure orientation
Target Markets	<ul style="list-style-type: none"> <li>Guest Profile: Families, groups (social &amp; commercial), transient guests (leisure &amp; commercial)</li> <li>Primary Feeder Markets: Quebec, Saratoga, Albany, Connecticut, Philadelphia and Western New York (limited)</li> </ul>
Potential Supporting Initiatives	Development of proposed retail and restaurant destination at the City Beach, along Lake Champlain waterfront

#### 3 adjectives describing the market:

- ▶ Family friendly
- ▶ Transportation
- ▶ Unique



**Plattsburgh City Beach on Lake Champlain**



**Mayor's Cup Festival & Regatta**



Source: Local websites

## 4 Lodging Market Opportunities

### Adirondacks Region | Warren County | North Creek Market

1	Executive Summary
2	Regional Overview
3	Lodging Market Overview
4	<b>Lodging Market Opportunities</b>
5	Appendices

### Lodging Supply

- ▶ Lodges and motels totaling 124 rooms; visitors use lodging up to an hour away during peak winter and summer demand periods (Lake George & Lake Placid); also short-term rentals from homeowners
- ▶ Positioning:
  - ▶ Midscale and lower, paucity of rooms keeps ADRs above hotel quality level
  - ▶ Reflects condition of properties and limited availability of restaurant/retail
  - ▶ Physical condition of hotels is generally dated, worn
  - ▶ Most properties do not have views, or resort amenities, some located within town
  - ▶ The Lodge at Gore Mountain was recently sold and renovated, includes Becks Tavern
- ▶ Operations:
  - ▶ Independent mom & pop lodges and motels
  - ▶ Cash flow does not generally support renovation or national flag
  - ▶ Estimated market performance\* (based on interviews with market participants)

Metric	Peak season (summer/winter/fall)	Off season (spring)	Annual
Occupancy	55% to 65%	20% to 30%	50% to 55%
ADR	\$140 to \$180	\$85 to \$115	\$120 to \$135
RevPAR	\$80 to \$120	\$20 to \$35	\$60 to \$75

### Demand Generators

- ▶ Summer:
  - ▶ Hiking
  - ▶ Whitewater rafting on Hudson River; kayaking/canoeing on lakes
  - ▶ Mountain biking at Ski Bowl park
  - ▶ Leaf peeping (fall)
  - ▶ Garnet mine tours
  - ▶ Rail-biking at Revolution Rail Company
  - ▶ Cruise Weekends – classic and vintage car shows
  - ▶ Maple syrup farm tours (spring), Cheese farm tours (spring)
- ▶ Winter:
  - ▶ Alpine and Nordic skiing at Gore Mountain – most skiable acreage in NYS with >200,000 skier visits annually, mostly day trippers and seasonal home owners due to lack of hotel room base
  - ▶ Nordic skiing at Garnet Hill
  - ▶ Snowshoeing
  - ▶ Snowmobiling
- ▶ New demand generators:
  - ▶ Gore Base Lodge adding HVAC to event rooms for weddings at mountain
  - ▶ Gore Mountain could significantly increase skier visits with reinvestment/lodging supply; also adding summer activities in Ski Bowl Village (zip coaster, ropes course, mini-golf, etc.)
  - ▶ Proposed Ski Bowl Village will add equestrian center, golf, spa
  - ▶ Hamlet to Huts –proposed network of hiking/bike trails and waterways linking huts, eco-lodges, and in-town lodging

\*May not reflect actual performance

### North Creek Market

Attribute	Rating	Rationale
Accessibility		Access via I-87 and I-90 provides acceptable drive time from metro areas for overnight trips
Demand across multiple seasons		Gore Mt. generates demand during winter, typically a slower season in the ADKs
Diversified customer base		Primarily leisure travelers, lacks event space for weddings and meetings
Potential for new demand generators		Gore's skiable acreage/reinvestment in Gore (lodge, snowmaking, lifts) could support many more skier visits; equestrian center and golf course planned
Historic lodging market performance		Few properties, performance hard to underwrite given lack of flags and size (124 rooms), however has high ADR relative to hotel quality
Availability of labor		Seasonal, proposed developments would exacerbate already difficult conditions
Tourism Product/ Amenities		Weak due to small lodging inventory, condition of most lodging, few restaurants, limited diversity, and limited tourist retail
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)		Utilities are generally available, however, some areas within market require additional development; weak cellular service
Community sentiment		Most locals support development but some prefer "sleepy town" with uncrowded mountain.
Rank		2



## 4 Lodging Market Opportunities

### Adirondacks Region | Warren County | North Creek Market

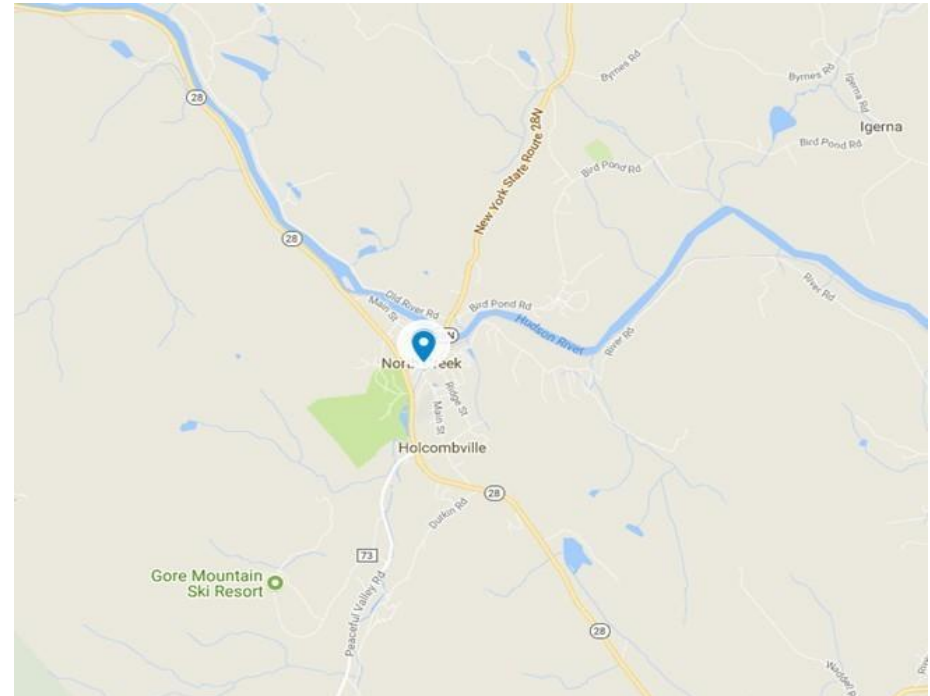
1	Executive Summary
2	Regional Overview
3	Lodging Market Overview
4	<b>Lodging Market Opportunities</b>
5	Appendices

#### Notional Profile of a Successful Lodging Project

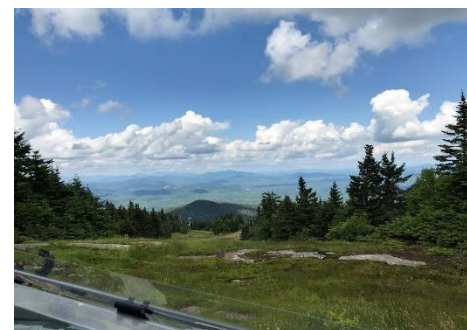
Factor	Attributes
Product	Limited-, select-service, or full-service depending on location <ul style="list-style-type: none"> <li>▶ On-mountain – Full-service</li> <li>▶ Off-mountain – Limited- or select-service; Reasonably priced higher quality guest rooms</li> </ul>
Positioning	Midscale to Upper Midscale
Branded vs. Unaffiliated	Either – on-mountain property does not require flag due to appeal of ski-in, ski-out access to Gore; off-mountain a hotel flag could help attract guests looking for brand standards/higher quality than existing hotels.
Number of Guestrooms	50-99 <ul style="list-style-type: none"> <li>▶ Higher room count takes advantage of Gore Mountain's large skiable acreage</li> <li>▶ Higher room count to offset costs of potential hotel brand</li> <li>▶ Lower, sustainable room count in off-season can support favorable annual operating results</li> </ul>
Lodging Facilities / Amenities	Limited-service – multipurpose room for breakfast/small meetings Select-service – small restaurant/bar with self-serve "market", fitness room Full-service – restaurant, lounge, meeting space, recreational amenities (gym, spa, pool), and retail.
Locational Priorities	On-mountain with ski-in, ski-out, or off-mountain in village center to take advantage of restaurants and retail and be within 5 minute shuttle bus of Gore Base Lodges.
Target Markets	<ul style="list-style-type: none"> <li>▶ Guest Profile: Families, couples, singles</li> <li>▶ Primary Feeder Markets: Capital District, Syracuse, Utica in Winter, NYC metro, Capital District, New Jersey, Canada in summer/fall</li> </ul>
Potential Supporting Initiatives	Reinvestment in demand generators (e.g. Gore Mt. lifts, snow making, summer activities including zip coaster, ropes course, mini-golf, event space to facilitate weddings), downtown revitalization in North Creek to improve storefronts, merchandising, streetscape, supporting new water treatment facility for village, shuttle bus service to base lodges.

#### 3 adjectives describing the market:

- ▶ Underutilized
- ▶ Pristine views
- ▶ Sleepy



View from Gore Summit



Source: RESGroup fieldwork

Main Street, North Creek





## 4 Lodging Market Opportunities

### Adirondacks Region | Essex County | Ticonderoga Market

1	Executive Summary
2	Regional Overview
3	Lodging Market Overview
4	Lodging Market Opportunities
5	Appendices

### Lodging Supply

- ▶ Lodging inventory is primarily composed of economy hotels, motels and vacation rentals
  - ▶ The Ticonderoga market has three hotels- Best Western (newly developed), Super 8 and Stone House Hotel; two motels- Latchstring Motel and Belfred Motel; and approximately 15 – 20 vacation rentals on AirBnb/VRBO/TripAdvisor
- ▶ Positioning:
  - ▶ Midscale or lower
  - ▶ Physical condition of hotels: The Best Western is new and operates as the market leader, while other properties could benefit from renovation
- ▶ Operations:
  - ▶ Mix of independent and flagged accommodations, mainly operating in the economy chain-scale
  - ▶ The main attraction in the area, Fort Ticonderoga, is closed from December to April, but hotels in the area are open year-round
  - ▶ Estimated market performance\* (based on interviews with market participants)

Metric	Peak season (summer/winter/fall)	Off season (spring)	Annual
Occupancy	55% to 65%	20% to 30%	50% to 55%
ADR	\$140 to \$180	\$85 to \$115	\$120 to \$135
RevPAR	\$80 to \$120	\$20 to \$35	\$60 to \$75

### Demand Generators

- ▶ Summer:
  - ▶ Fort Ticonderoga
  - ▶ Boat cruise on Lake Champlain
  - ▶ Star Trek Original Set, "Trekonderoga"
  - ▶ Bass fishing tournaments (over 20 annually)
  - ▶ Hiking
  - ▶ Crown Point Historic Fort
  - ▶ Museums: Ticonderoga Heritage Museum and Ticonderoga Historical Society
  - ▶ Ferry connecting Ticonderoga to Vermont
- ▶ Winter:
  - ▶ Fort Ticonderoga is open for special events
  - ▶ Recreational activities including ice fishing, cross-country skiing
  - ▶ International Paper mill drives some year-round commercial demand
- ▶ New demand generators:
  - ▶ Proposed development of a \$45 million museum adjacent to Fort Ticonderoga is an effort to expand the product offering in the area and allow year- round operations by creating demand in the shoulder months

\*May not reflect actual performance

### Ticonderoga Market

Attribute	Rating	Rationale
Accessibility		Ferry from Vermont, Route 9N, Amtrak Station, approximately 30 minutes from I-87, Burlington International Airport
Demand across multiple seasons		Mostly in summer, since the fort is closed during the winter, however the museum development would further expand the offering into shoulder season
Diversified customer base		Mostly composed of family visitors, school tours and camps, also attracts many sport fishermen
Potential for new demand generators		Approved museum development – currently fundraising and anticipated to be completed in 2026 (\$45M development)
Historic lodging market performance		Limited hotel supply in the area, however recent opening of the Best Western is an indication of an under-served market
Availability of labor		Could attract Ticonderoga workforce which is currently employed by lodging businesses in neighboring towns such as Lake George and Lake Placid
Tourism Product/ Amenities		Strong in summer due to Fort Ticonderoga and availability of branded and unbranded lodging facilities
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)		Utilities extend up to Fort Ticonderoga, but some areas have poor cell reception
Community sentiment		The proposed museum enhancements at Fort Ticonderoga has received endorsements from the community, sponsors and board members; community is in favor of a hotel development
Rank		5

## 4 Lodging Market Opportunities

### Adirondacks Region | Essex County | Ticonderoga Market

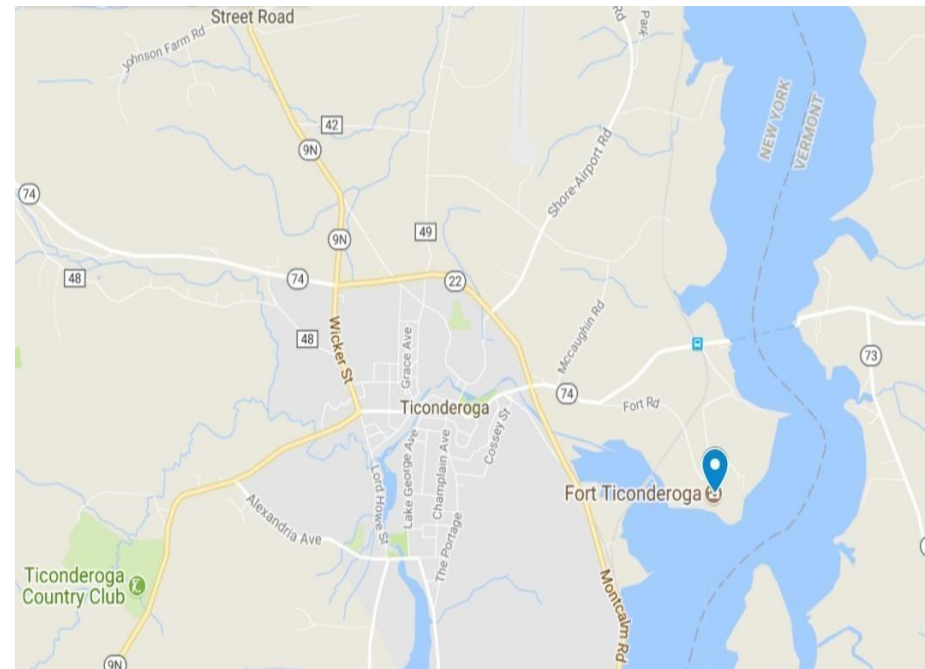
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Notional Profile of a Successful Lodging Project

Factor	Attributes
Product	<p>Full- or select-service</p> <ul style="list-style-type: none"> <li>For a project proximate to the Fort, F&amp;B facilities and meeting space could be more extensive due to distance from town. For a project closer to town and nearby restaurants, a select-service property would fill an existing lodging gap (all existing product is limited-service).</li> </ul>
Positioning	Upper-midscale to upscale
Branded vs. Unaffiliated	Unaffiliated – Franchise fees may not be justified due to seasonality of market, although may create challenges (versus branded) with respect to financing
Number of Guestrooms	<p>50-99</p> <ul style="list-style-type: none"> <li>Allows the market to absorb previously displaced demand during peak season, and enables potential expansion of demand in shoulder- and off-season in the form of groups</li> </ul>
Lodging Facilities / Amenities	<p>Full-service with restaurant, bar, meeting space for up to 100 guests, recreational amenities (fitness center, swimming pool, rock wall, etc.)</p> <p>Select-service with small restaurant/bar, self-serve “market”, limited meeting space, fitness center</p>
Locational Priorities	Near Fort Ticonderoga (and site for proposed museum) due to proximity to principal market demand generator
Target Markets	<ul style="list-style-type: none"> <li>Guest Profile: Families, leisure groups</li> <li>Primary Feeder Markets: NYC metro, Capital District, Syracuse, Rochester, Ottawa (Canada), Europe</li> </ul>
Potential Supporting Initiatives	Development of museum adjacent to Fort Ticonderoga

#### 3 adjectives describing the market:

- ▶ Historical
- ▶ Inspirational
- ▶ Undiscovered



Ticonderoga town



Source: Local websites

Fort Ticonderoga



## 4 Lodging Market Opportunities

### Adirondacks Region | Essex County | Wilmington Market

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

### Lodging Supply

- ▶ Lodging inventory is primarily composed of small lodges, motels and bed & breakfasts, and short term rentals advertised for rent under AirBnB/VRBO/TripAdvisor; located in town or closer to Whiteface mountain
- ▶ Several older lodges/motels have recently undergone significant renovations, representing the first significant lodging investments in the market in the recent past
- ▶ Positioning:
  - ▶ Independent
  - ▶ Lodging facilities are small with less than 20 rooms
  - ▶ Economy to upscale limited-service with only breakfast served
  - ▶ Several lodges were recently renovated, while other properties are dated and aged
- ▶ Operations:
  - ▶ Small, independent mom & pop lodges, motels and bed & breakfasts
  - ▶ Operating statistics (based on interviews with market participants)\*
    - ▶ Small lodges (less than 20 rooms) with no restaurants
    - ▶ ADRs vary significantly based on quality, ranging from \$225 to \$450 in peak-season and \$75 to \$250 in off-season
    - ▶ Occupancy ranges from 15% in off-season to 80% in peak-season

### Demand Generators

- ▶ Summer:
  - ▶ Hiking and trails
  - ▶ Mountain biking (unofficially referred to as the "Mountain Bike Capital of the Adirondacks")
  - ▶ Fly Fishing (one of North Country's principal fly fishing areas)
  - ▶ The Flume, a series of natural waterfalls and swimming hole
  - ▶ Overflow demand from Lake Placid
  - ▶ Whiteface Veterans Memorial Highway
  - ▶ High Falls Gorge
  - ▶ Wilmington Town Beach
  - ▶ The Ausable River/Ausable Chasm
  - ▶ Santa's Workshop
  - ▶ Summer gondola rides
- ▶ Winter:
  - ▶ Alpine skiing at Whiteface Mountain
  - ▶ Nordic skiing, snowshoeing
  - ▶ General attraction of Whiteface Mountain and associated facilities recognized as Olympic venues
- ▶ New demand generators:
  - ▶ Lake Placid will host the 2023 Winter World University Games, an 11-day winter competition (with numerous training days prior to event) that typically draws about 2,500 student-athletes who compete in sports including skiing, speed skating, figure skating and hockey; however, the Games are a one time event
  - ▶ Opportunity identified by ORDA to increase off-season business such as adding zip line, ropes course, and additional mountain biking trails, would create more year-round jobs and bring economic development to the community

\*May not reflect actual performance

### Wilmington Market

Attribute	Rating	Rationale
Accessibility		Route 86; 20 minutes from Lake Placid; 50 miles from Plattsburgh International Airport; access roads are closed during heavy snowfall; all drivers from Canada to Lake Placid must pass through Wilmington to arrive in Lake Placid
Demand across multiple seasons		Summer and winter demand generators; however, summer is the main driver of demand
Diversified customer base		Mainly leisure guests (90%); however, they come for a wide variety of activities (skiing, hiking, mountain biking, fly fishing, triathlon training)
Potential for new demand generators		Lake Placid 2023 Winter World University Games and ORDA investments to create all-season resort
Historic lodging market performance	NAP	Limited number of small, independent mom & pop operations; historic market performance not fully represented; vacation home rentals have recently increased significantly
Availability of labor		From the Lake Placid area (14 miles)
Tourism Product/ Amenities		Strong due to attractions; weak due to lack of availability, and condition of hotels; however, some older motels in the market have recently undergone significant renovations
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)		Most utilities already available; further analysis needed for water treatment plant; cell service can be spotty
Community sentiment		Community generally supports hotel development
<b>Rank</b>		<b>3</b>

## 4 Lodging Market Opportunities

### Adirondacks Region | Essex County | Wilmington Market

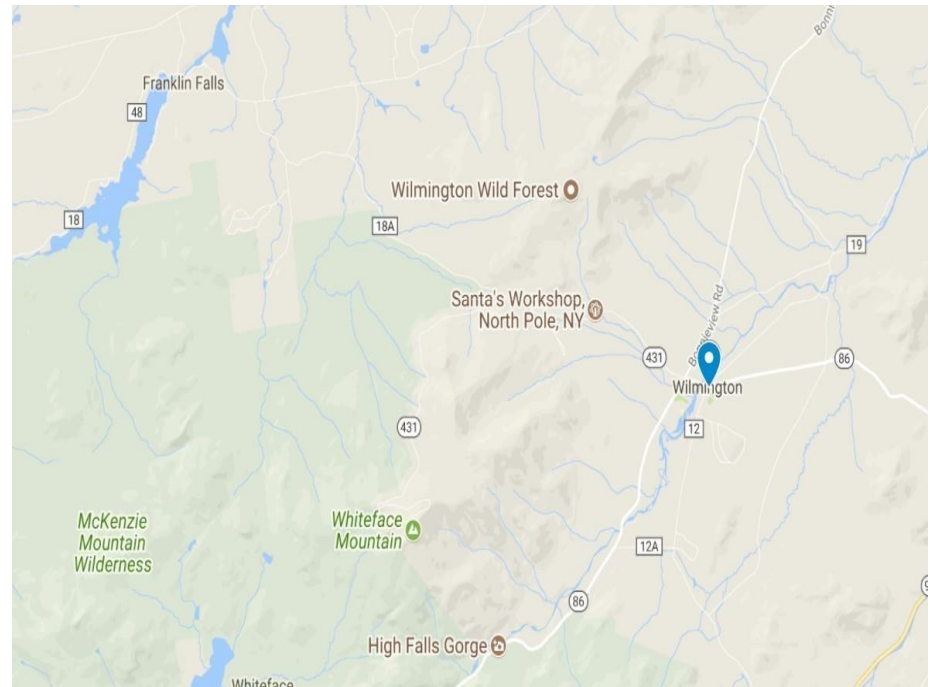
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Notional Profile of a Successful Lodging Project

Factor	Attributes
Product	Full-service <ul style="list-style-type: none"> <li>Comprehensive F&amp;B facilities will be necessary due to limited availability of alternatives for guests</li> </ul>
Positioning	Upscale to Upper-upscale depending on location (higher rated for on-mountain)
Branded vs. Unaffiliated	Branded – distribution associated with brand, combined with year-round demand and facility size may support the associated fees
Number of Guestrooms	50-99 <ul style="list-style-type: none"> <li>Allows the market to absorb previously displaced demand during peak season and potentially enables expansion of demand in shoulder and off seasons</li> <li>Can accommodate groups</li> </ul>
Lodging Facilities / Amenities	Bar, restaurant, meeting/event space, indoor pool, fitness center, spa, outdoor recreation (e.g. fire pits, whirlpool)
Locational Priorities	On mountain with ski-in, ski-out, or located off-mountain but near the base with shuttle service
Target Markets	<ul style="list-style-type: none"> <li>Guest Profile: Families, couples, social/commercial groups, skiers and riders</li> <li>Primary Feeder Markets: Syracuse, Rochester, Albany, Northern New Jersey, Ottawa (Canada), Europe</li> </ul>
Potential Supporting Initiatives	If project is located near base, extension of ski lift for ski-in/ski-out capacity will enable the hotel to compete regionally; shuttle service to ski lodges required if further from mountain; continued investment and updating of Whiteface Mountain's snow making and lifts, also addition of year-round/summer activities like zip lines, ropes courses, more mountain biking trails

#### 3 adjectives describing the market:

- ▶ High demand
- ▶ Under-served
- ▶ Significant upside



Whiteface Mountain, Winter



Source: Local websites

Whiteface Mountain, Summer





## 4 Lodging Market Opportunities

### Adirondacks Region | Franklin County | Tupper Lake Market

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Lodging Supply

- ▶ Primarily small (< 30 room) motels, cabins/cottages, camps totaling less than 100 rooms; approx. 10-15 short-term home rentals
- ▶ Campgrounds (tents and RV) also supplement lodging facilities
- ▶ Positioning:
  - ▶ Lodging quality ranges broadly from budget/economy to upper midscale
  - ▶ Reflects dated and worn condition of properties and limited year-round demand generators
  - ▶ Short-term home rentals are more upscale and generally in superior condition
  - ▶ These rentals are increasingly popular and attract new guests to the market
- ▶ Operations:
  - ▶ Independent mom & pop lodges, motels, cottages and cabins
  - ▶ Cash flow inadequate to fund renovations, reinvestment, or hire full time employees
  - ▶ Some facilities closed for winter and/or "mud" season in April
  - ▶ Cottages, cabins, and camps are sometimes rented by the month or season
  - ▶ Online search engines generally do not include Tupper Lake facilities, and drive guests to Saranac Lake and Lake Placid, thereby negatively impacting distribution to local hotels
  - ▶ Estimated market performance\* (based on interviews with market participants)

Metric	Peak season (summer/fall)	Off season (winter/spring)	Annual
Occupancy	50% to 60%	10% to 20%	40% to 50%
ADR	\$90 to \$130	\$50 to \$75	\$75 to \$110
RevPAR	\$45 to \$78	\$5 to \$15	\$30 to \$55

#### Demand Generators

- ▶ Summer:
  - ▶ Hiking
  - ▶ Boating, kayaking, canoeing, swimming, water skiing, fishing on lakes and ponds
  - ▶ The Wild Center (year-round 150,000 visitors annually)
  - ▶ Leaf peeping (fall)
  - ▶ Trail and road biking, including the proposed Adirondack Rail Trail
  - ▶ Woodsman's Day
  - ▶ Golf (existing course)
  - ▶ Adirondack Public Observatory (Fridays year-round)
- ▶ Winter:
  - ▶ Nordic skiing; snowshoeing; snowmobiling
  - ▶ Ice fishing – Northern Challenge Ice Fishing Derby (largest in NYS)
- ▶ New demand generators (Proposed):
  - ▶ ADK Club & Resort – 6,261 acre site on east side of Tupper Lake, south side of Simon Pond; 690 unit luxury residential development ranging from ADK Great Camps to town homes all with ski-in, ski-out access; amenities include: reopening Big Tupper Ski area (45 trails, 1,200 feet vertical (can increase to 2,000 feet)), 25 miles Nordic trails starting in phases next season; redeveloping existing public golf course to 18 hole Greg Norman design; two independent hotels (60 room luxury and 100 room upper upscale); artist colony; equestrian center; new marina; also purchased local Tupper Lake airport to redevelop. Not building retail "town center" at base purposely to drive business to downtown Tupper Lake.
  - ▶ Proposed Crossroads boutique hotel – induced demand for upper midscale guest rooms
  - ▶ Proposed Home 2 Suites by Hilton – induced demand for branded guest rooms

\*May not reflect actual performance

#### Tupper Lake Market

Attribute	Rating	Rationale
Accessibility		Access via I-87 or I-90, acceptable drive time from major metro area for overnight trips; commercial airport in Saranac Lake, local private Tupper Lake airport being improved
Demand across multiple seasons		Stronger summer and fall, lacks major winter demand generator
Diversified customer base		Primarily leisure travelers, some groups visiting Wild Center
Potential for new demand generators		Reopening of Big Tupper Ski area, ADK Club & Resort will include new golf course, marina, artist colony; recent investments in town
Historic lodging market performance		Few properties, very seasonal
Availability of labor		Somewhat problematic; still seasonal, proposed developments may exacerbate shortage
Tourism Product/ Amenities		Some restaurants and stores due to seasonal residences
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)		Excess capacity from previous importance of logging industry
Community sentiment		Most locals support development
Rank		4



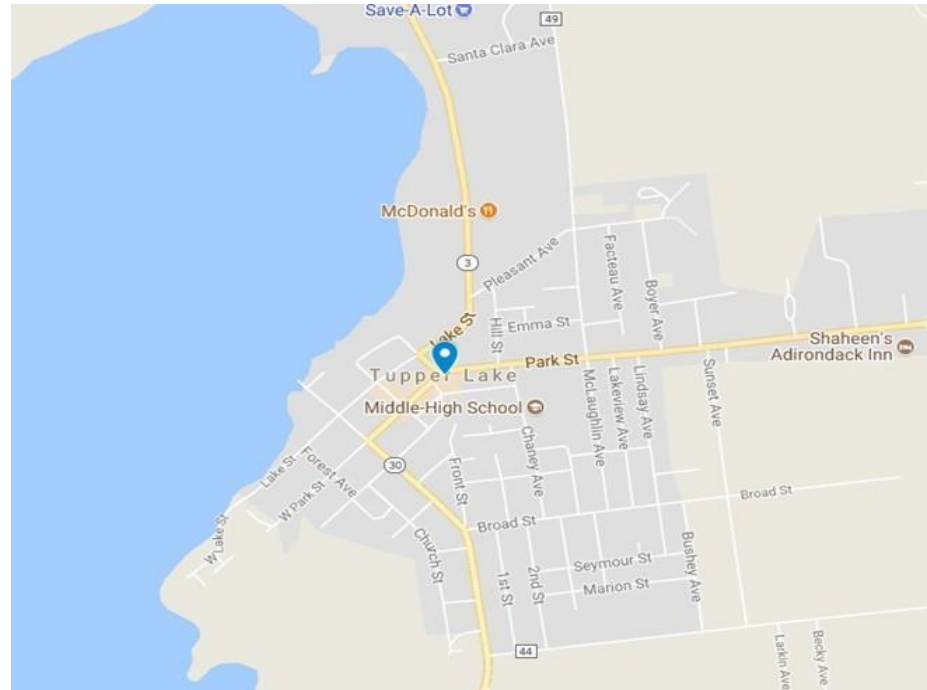
## 4 Lodging Market Opportunities

### Adirondacks Region | Franklin County | Tupper Lake Market

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Notional Profile of a Successful Lodging Project

Factor	Attributes
Product	Select-service ► Minimal F&B offerings (breakfast and evening drinks)
Positioning	Upper-Midscale to Upscale
Branded vs. Unaffiliated	Unaffiliated – Franchise fees may not be justified due to seasonality of market and small size of hotel, although may create challenges (versus branded) with respect to financing
Number of Guestrooms	30-50 ► Sustainable room count in off-season can support favorable annual operating results ► Can accommodate some group business from The Wild Center
Lodging Facilities / Amenities	Bar that can serve light fare, self-serve “market”, multipurpose room for breakfasts and small meetings/events
Locational Priorities	Village center (or within walking distance) in order to take advantage of restaurants and retail, lake frontage/access
Target Markets	► Guest Profile: Couples, singles, empty nesters ► Primary Feeder Markets: NYC metro, Capital District, Buffalo, Syracuse, Canada
Potential Supporting Initiatives	Development of new winter demand generators (e.g. reopening Big Tupper Ski Mt.), new Greg Norman Golf Course at ADK Club and Resort, investment in Adirondack Public Observatory, more coordinated marketing with other destinations across the ADKs (gonorthny.com)



Tupper Lake



The Wild Walk at the Wild Center



#### 3 adjectives describing the market:

- Dynamic      ► Beautiful scenery      ► Educational

Source: RESGroup fieldwork; local websites

## 4 Lodging Market Opportunities

### Adirondacks Region | Hamilton County | Blue Mountain Lake Market

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Lodging Supply

- ▶ Very limited, with one hotel that is seasonal
- ▶ A few small inns and cottages (< 10 rooms); approx. 20 short-term home rentals
- ▶ Visitors use lodging in North Creek, Tupper Lake, Speculator, Old Forge, Long Lake and Indian Lake (30 to 50 mins away), as well as Saranac Lake and Lake Placid (60 – 90 minutes away)
- ▶ Minnowbrook Conference Center – run by Syracuse University, can accommodate 56 guests double occupancy, open year-round, rates from \$219 to \$299 all-inclusive.
- ▶ Campsites (tent and RV) supplement local lodging inventory
- ▶ Positioning:
  - ▶ Ranging broadly from budget to upscale, with positioning reflecting condition of properties, remote location
  - ▶ Short-term home rentals range widely from budget to luxury, but generally in superior condition
- ▶ Operations:
  - ▶ Mom & pop owner/operators
  - ▶ Size of lodging facilities limits need to hire more full time employees
  - ▶ Cash flow of existing lodging facilities inadequate to fund significant renovations
  - ▶ Many facilities closed for winter and/or “mud” season in April
  - ▶ Operating statistics not presented due to lack of lodging supply

#### Demand Generators

- ▶ Summer:
  - ▶ Hiking (summer, fall)
  - ▶ Boating, kayaking, canoeing, swimming, water skiing, fishing on lakes and ponds
  - ▶ The Adirondack Experience (“ADK EXP”) – 50,000 visitors annually, 65,000 SF galleries; nature trails, Mohawk and Abenaki Art Market
  - ▶ White water rafting in Indian Lake
  - ▶ Trail and road biking
  - ▶ Lake cruises (history and dinner)
  - ▶ The Wild Center (40 minute drive); fall, summer, spring, winter as needed
  - ▶ Leaf peeping (fall)
  - ▶ Syracuse University’s Minnowbrook Conference Center
  - ▶ Blue Mountain Center – writer/artist residencies, small weekend events
- ▶ Winter:
  - ▶ Nordic skiing; snowshoeing; snowmobiling; ice fishing
  - ▶ Potentially Alpine skiing with reopening of Big Tupper
- ▶ New demand generators:
  - ▶ Recent \$8 million reno/expansion of ADK EXP added nature trail, interactive exhibits, and building boathouse; 2018 will be first full season
  - ▶ ADK EXP’s \$2.5 million ADK Art & Design Center will open by 2020
  - ▶ ADK EXP can accommodate weddings/social events with upgrades to lake view rooms and deck; requires hotel rooms to be marketable
  - ▶ Hamlet to Huts –proposed network of hiking/bike trails and waterways linking huts, eco-lodges, and in-town lodging

\*May not reflect actual performance

#### Blue Mountain Market

Attribute	Rating	Rationale
Accessibility		Approximately 50 minutes from I-90 or I-87. Directly accessible via state routes 28 and 30. Acceptable drive time from large metro areas for overnight trips; commercial airport in Saranac Lake, potential improvements to Tupper Lake Airport
Demand across multiple seasons		Stronger summer and fall, lacks major winter demand generator
Diversified customer base		Primarily leisure travelers, some groups visiting ADK EXP or Minnowbrook Conference Center
Potential for new demand generators		Recent ADK EXP expansion/renovation; potential wedding/social events in ADK EXP lakeview room/deck; Hamlet to Hut; Renovations at Big Tupper (ADK Club & Resort)
Historic lodging market performance	NAP	Few properties, very seasonal
Availability of labor		Problematic, 30 to 50 minute drive to nearest towns; staff dorms included in project planning
Tourism Product/ Amenities		Very limited F&B and retail locally; summer dinner cruises on lake
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)		Water and sewer not widely available; poor wireless/cell service in some areas
Community sentiment		Locals support development near ADK EXP, however, environmental activists are vocally opposed
Rank		6

## 4 Lodging Market Opportunities

### Adirondacks Region | Hamilton County | Blue Mountain Lake Market

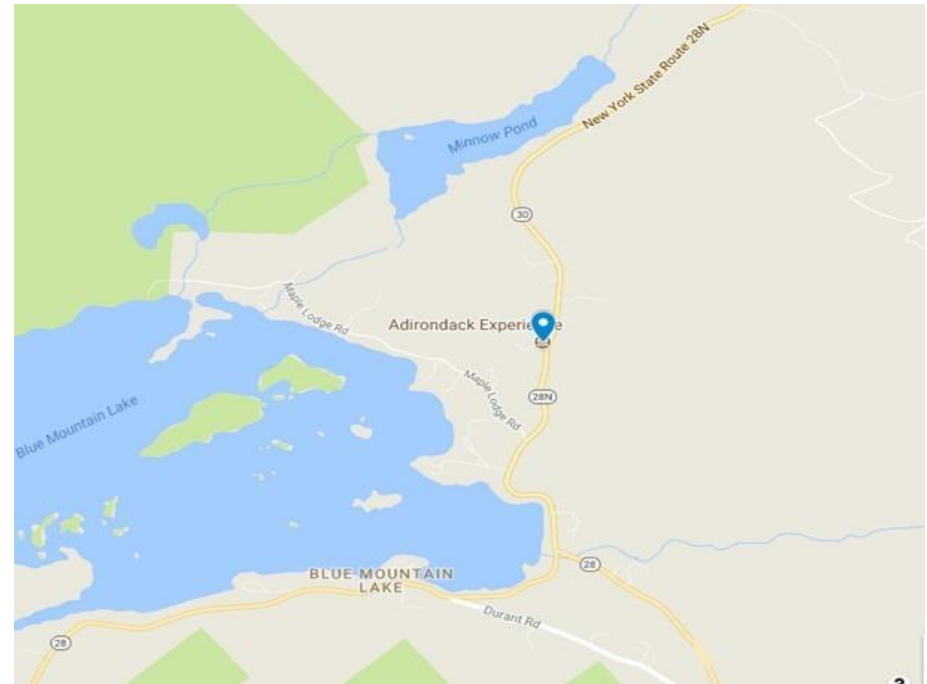
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Notional Profile of a Successful Lodging Project

Factor	Attributes
Product	Select-service or full-service <ul style="list-style-type: none"> <li>F&amp;B offerings will be necessary to fill gap during off-season when few restaurants are open</li> </ul>
Positioning	Upper-Midscale to Upscale
Branded vs. Unaffiliated	Unaffiliated – franchise fees may not be justified due to seasonality of market and small size of hotel, although may create challenges (versus branded) with respect to financing
Number of Guestrooms	25-60 <ul style="list-style-type: none"> <li>Large enough to accommodate small wedding parties/support meeting space for full-service</li> <li>Sustainable room count in off-season can support favorable annual operating results</li> </ul>
Lodging Facilities / Amenities	Select-service: Small restaurant/bar, self-serve “market”, limited meeting space, fitness center  Full-service: restaurant, bar, meeting space to accommodate 100 guests, recreational amenities (fitness center, swimming pool, etc.)
Locational Priorities	Lake- or waterfront, or sites with view amenity
Target Markets	<ul style="list-style-type: none"> <li>Guest Profile: Families, couples, singles, empty nesters</li> <li>Primary Feeder Markets: Western NY, Pennsylvania, Capital District, NYC Metro, Canada</li> </ul>
Potential Supporting Initiatives	Further renovation/expansion of ADK Experience, developing new winter demand generators (reopening Big Tupper Ski Mt.), establishing Hamlet-to-Huts networks of trails, huts, “glamping” sites, coordinated marketing program of destinations and events across the ADKs like the gonorthny.com campaign.

#### 3 adjectives describing the market:

- ▶ Pristine
- ▶ Secluded
- ▶ Educational



Blue Mountain Lake



The ADK Experience – Hunting Lodge Exhibit



## 4 Lodging Market Opportunities

### Adirondacks Region | Hamilton County | Speculator Market

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Lodging Supply

- ▶ Lodging inventory is composed of <10 motels and inns ranging in size from 5 to 17 guest rooms
  - ▶ <10 short-term rentals of homes, cabins, and apartments (AirBnB, VRBO, etc.) but increasing as more homes are converted to seasonal use
  - ▶ Campgrounds supplement the local lodging supply
  - ▶ Camp-of-the-Woods – large Christian resort and conference center that can accommodate up to 1,200 guests on over 90 acres
- ▶ Positioning:
  - ▶ Economy to midscale, independent, limited-service, some inns with family restaurants
  - ▶ Physical condition of hotels: mostly rustic accommodations with some recently renovated (Lake Pleasant Lodge)
  - ▶ Higher rated motels have lake frontage/access
  - ▶ Motels/inns located primarily on Route 30 or Route 8
  - ▶ Short-term rentals are priced similarly to motels and inns
- ▶ Operations:
  - ▶ Independent mom & pop hotels, mostly staffed with family, few other full-time employees
  - ▶ Estimated market performance\* (based on interviews with market participants)

Metric	Peak season (summer/early fall)	Off season (winter/spring)	Annual
Occupancy	45% to 55%	10% to 15%	30% to 40%
ADR	\$90 to \$110	\$60 to \$80	\$80 to \$105
RevPAR	\$40 to \$60	\$5 to \$15	\$25 to \$45

#### Demand Generators

- ▶ Summer:
  - ▶ Boating, fishing, swimming, canoeing, kayaking
  - ▶ Hiking
  - ▶ Weddings – Oak Mountain
  - ▶ Mountain biking
  - ▶ Golf – Lake Pleasant Golf Course
  - ▶ Spillover from Camp-of-the-Woods
- ▶ Winter:
  - ▶ Snowmobiling (depending on weather – typically strongest in February)
  - ▶ Nordic and Alpine skiing (Oak Mountain Ski Center – local mountain on weekends, 16,000 skier visits)
  - ▶ Ice fishing
- ▶ New demand generators:
  - ▶ Increasing the lodging inventory could allow Oak Mountain to accommodate demand from overnight markets, and not rely solely on day trippers, and could also increase mid-week skiing; increasing the lodging inventory would also allow the Mountain to attract larger wedding groups from a geographically larger feeder market.

\*May not reflect actual performance

#### Speculator Market

Attribute	Rating	Rationale
Accessibility		Access via I-90, acceptable drive times from large metro areas
Demand across multiple seasons		Summer is peak season, with weekend demand through early October, slower in Winter through April
Diversified customer base		Leisure travelers, weddings in summer and early fall
Potential for new demand generators		More guest rooms in the market could expand the number of feeder markets for both skiing and wedding demand at Oak Mountain. Could also allow for larger weddings (not enough hotels for larger weddings now).
Historic lodging market performance		Very seasonal in nature; even shoulder seasons are relatively weak
Availability of labor		Small year-round population, shortage of housing for year-round residents as many homes are purchased for seasonal use
Tourism Product/ Amenities		Strong summer attractions/activities but weaker in winter; some restaurants and retail are closed in the off-season
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)		No significant infrastructure issues identified
Community sentiment		Community generally supportive of development with appropriate density
Rank		7



## 4 Lodging Market Opportunities

### Adirondacks Region | Hamilton County | Speculator Market

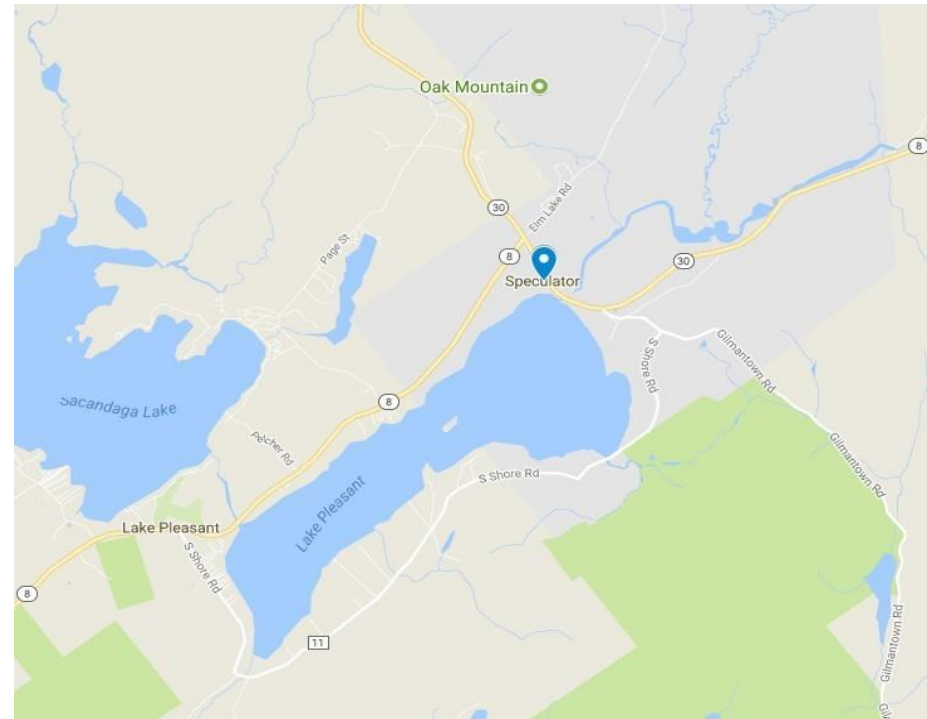
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Notional Profile of a Successful Lodging Project

Factor	Attributes
Product	Select- or full-service <ul style="list-style-type: none"> <li>Small-scale F&amp;B will be necessary during off-season when most nearby restaurants close</li> </ul>
Positioning	Midscale or upper midscale
Branded vs. Unaffiliated	Unaffiliated <ul style="list-style-type: none"> <li>Franchise fees may not be justified due to seasonality of market and small size of hotel, although may create challenges (versus branded) with respect to financing</li> </ul>
Number of Guestrooms	20-60 guest rooms <ul style="list-style-type: none"> <li>Able to accommodate wedding parties</li> <li>Sustainable room count in off-season can support favorable annual operating results</li> </ul>
Lodging Facilities / Amenities	Small restaurant with bar area; small multipurpose room for breakfast or meetings; indoor swimming pool; small fitness room
Locational Priorities	Lakefront; proximity to Oak Mountain Ski Center (also for on-mountain weddings)
Target Markets	<ul style="list-style-type: none"> <li>Guest Profile: Families, couples, empty nesters</li> <li>Primary Feeder Markets: Metro NYC, Capital District, Syracuse, Canada</li> </ul>
Potential Supporting Initiatives	Increasing hotel inventory could allow Oak Mountain Ski Area to attract overnight demand (now relies on day-trippers) to increase skier visits and potentially add mid-week operations; increasing hotel inventory could allow Oak Mountain to also attract larger weddings; coordinated marketing with other destinations and events across the ADKs (gonorthny.com).

#### 3 adjectives describing the market:

- ▶ Family-friendly
- ▶ Relaxing
- ▶ Rustic



Lake Pleasant, Summer



Oak Mountain, Winter



Source: RESGroup fieldwork; local websites



## 4 Lodging Market Opportunities

### Thousand Islands Region | St. Lawrence County | Waddington Market

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

### Lodging Supply

- ▶ Waddington currently has no hotel/motel inventory, limited bed & breakfast, home-sharing and camping options
- ▶ Bedroom community, proximate to college markets of Potsdam and Canton
- ▶ Positioning:
  - ▶ No lodging inventory currently in Waddington, therefore unaccommodated demand during events and festivals spills into Ogdensburg, Potsdam and Canton
  - ▶ According to market participants, universities in Canton and Potsdam need hotels for families and friends of students, visiting lecturers, off-site meetings and commercial demand
  - ▶ There are five hotels/motels in Potsdam and two in Canton, which according to market participants is not enough to cater to the four universities in the area
  - ▶ Most lodging inventory is categorized as upper-midscale or lower
- ▶ Operations:
  - ▶ There is one branded hotel in Potsdam – the Hampton Inn, and one in Canton – the Best Western University Inn
  - ▶ According to market participants, a significant proportion of annual rooms revenue at hotels is generated by university demand which mitigates seasonality
  - ▶ Estimated market performance (college markets)\* (according to market participants)

Metric	Peak season (winter)	Off season (summer)	Annual
Occupancy	65% to 75%	50% TO 60%	60% to 70%
ADR	NA	NA	\$125 to \$135
RevPAR	NA	NA	\$70 to 480

### Demand Generators

- ▶ Summer:
  - ▶ Recreational activities including fishing, boating, kayaking, and hiking
  - ▶ Bassmaster Elite Series: reportedly attracts 30,000 people in August for a three-day event; however, some participants reportedly extend their trip to an entire week
  - ▶ Summer concert series, which attracts on average 250 people per concert from region
  - ▶ Weddings and other banquets currently held in Canton and Potsdam
- ▶ Year-round:
  - ▶ Universities: four universities within short driving distance of Village, with total student population of 12,100, including Clarkson (20.6 miles), SUNY Potsdam (19.3 miles), St. Lawrence (20.7 miles) and SUNY Canton (21.2 miles). These institutions generate demand year-round, when the colleges are in session.
- ▶ Amenities:
  - ▶ Pavilion built along river for \$1.5 million, fit with a fireplace and windscreen; pedestrian path
  - ▶ Excellent access to river for recreational activities
  - ▶ Some cafés and galleries in Village
- ▶ New demand generators:
  - ▶ 450 acre island across from the Pavilion, which could be used for low-impact activities such as hiking trails, cross country skiing, etc. (owned by State Power Authority)

\*May not reflect actual performance

### Waddington Market

Attribute	Rating	Rationale
Accessibility		Akwesasne International Road and Ogdensburg-Prescott bridge to/from Canada are equidistant; charter boats; Rte. 37 which connects to Canton, Potsdam and highway 401 in Canada; commercial airports in Ogdensburg and Massena, each within a half hour drive
Demand across multiple seasons		Leisure demand in summer and university demand during the rest of the year (when colleges are in session) mitigates seasonality
Diversified customer base		Recreation and leisure, universities, events
Potential for new demand generators		A hotel could induce demand; potential for new leisure activities on nearby 450-acre island
Historic lodging market performance	NAP	Not applicable; nearby college towns have lodging which performs relatively well
Availability of labor		Village itself has small population but mitigated by proximity to colleges (potential availability of summer student labor)
Tourism Product/ Amenities		Village main street with some galleries and cafes, several open year-round; year-round viewing Pavilion and walkway along river; access points to river for recreation
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)		Village center has water/sewer, with septic/well toward outskirts; cell reception is good
Community sentiment		Village planning board met in March 2018, reportedly gave verbal consent for hotel concept
Rank		1

## 4 Lodging Market Opportunities

### Thousand Islands Region | St. Lawrence County | Waddington Market

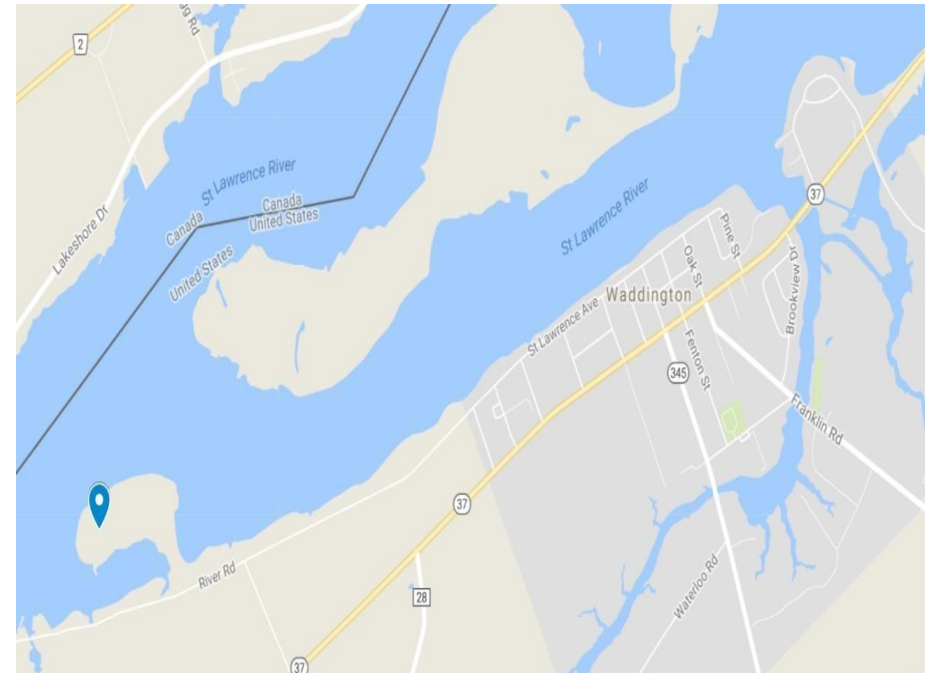
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Notional Profile of a Successful Lodging Project

Factor	Attributes
Product	Full-service <ul style="list-style-type: none"> <li>Full-service hotel that is a destination in its own right, to cater to the currently unmet lodging needs of colleges and leisure demand, and induce new visitors to the area</li> </ul>
Positioning	Upscale
Branded vs. Unaffiliated	Branded <ul style="list-style-type: none"> <li>A brand would drive distribution to this new market (branding the village, as well) and ensure quality and service standards related to university group requirements. Brand awareness/marketing would also increase visibility for transient leisure and university-related demand, incentivize frequent guests, and facilitate financing; however, an analysis of franchise fees versus incremental revenues should be considered.</li> </ul>
Number of Guestrooms	75-100 <ul style="list-style-type: none"> <li>Higher room count to offset costs of potential hotel brand</li> <li>Diversity of demand (leisure and group) and reduced seasonality support larger room count</li> <li>Ability to accommodate overnight group demand from social events, conference and meetings</li> </ul>
Lodging Facilities / Amenities	Restaurant, bar, divisible ballroom for weddings and other social events, meeting rooms for university groups (e.g., board of trustees), outdoor space with views of river for large events, indoor swimming pool and fitness center
Locational Priorities	Small island (Leishman Point) connected to the mainland about two miles from the Village center and direct access to Route 37; owned by the Village and preliminarily approved for hotel development and large-scale septic/well; access road in excellent condition and site has excellent, unobstructed views of the river. Site has destination attributes to support a full-service hotel development.
Target Markets	<ul style="list-style-type: none"> <li>Guest Profile: University-related visitors (families, commercial demand, groups); families and couples on vacation</li> <li>Primary Feeder Markets: Potsdam, Canton, Albany, Ottawa and Montreal (Canada)</li> </ul>
Potential Supporting Initiatives	Village-sponsored RFP process to select experienced developer/operator; potential investment in site infrastructure (septic/well); State-owned island across river from site may provide opportunity for low-impact recreational activities including hiking and cross-country skiing.

#### 3 adjectives describing the market:

- Quaint      ► Pristine      ► Recreational



Waterfront pavilion



Source: EY fieldwork; local websites

Leishman Point



## 4 Lodging Market Opportunities

### Thousand Islands Region | Jefferson County | Sackets Harbor Market

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

## Lodging Supply

- ▶ Lodging inventory is composed of two formal lodging facilities, as well as some bed & breakfast's and vacation rentals
- ▶ Positioning:
  - ▶ Lower midscale to upscale, independent, limited service
  - ▶ Two lodging facilities: Harbor House Inn (29 rooms) and Marina Inn & Suites (18 rooms); strong peak season, but can go weeks on end with no demand during offseason.
  - ▶ Heavily influenced by availability of facilities (e.g. restaurants and shops in Sackets Harbor are closed during the off-season, with few exceptions)
  - ▶ Compete with branded hotels in Watertown (approximately 10.2 miles from Sackets Harbor)
  - ▶ Physical condition of hotels: one is newly renovated with additional renovations planned
  - ▶ Both lodging facilities afford excellent views of the Harbor
  - ▶ One hotel property located in downtown while the other is located outside of the town center
- ▶ Operations:
  - ▶ Independent mom & pop hotels
  - ▶ Estimated market performance\* (based on interviews with market participants)

Metric	Peak season (summer)	Off season (winter)	Annual
Occupancy	50% to 60%	5% to 20%	28% to 40%
ADR	\$95 to \$2389	\$70 to \$129	\$83 to \$209
RevPAR	\$50 to \$173	\$4 to \$26	\$23 to \$84

## Sackets Market

Attribute	Rating	Rationale
Accessibility		Watertown Airport, 8 miles from the interstate. Direct access via State Route 3, County Route 66, County Route 62 and County Route 75
Demand across multiple seasons		Shops and restaurants are closed, and occupancy and rate drop severely in winter months
Diversified customer base		Leisure, weddings, and government (Fort Drum)
Potential for new demand generators		Proposed tall ship replica, convention center, outdoor bar and events/experiences, new winery, proposed industrial park
Historic lodging market performance		Very seasonal in nature; even shoulder seasons are relatively weak
Availability of labor		Difficulty during off-peak season; year-round difficulty finding dedicated employees
Tourism Product/ Amenities		Strong summer attractions; weak year-round and winter attractions
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)		No significant infrastructure issues identified; for new development capacity may need to be expanded
Community sentiment		Supportive and passionate community, with no known opposition
<b>Rank</b>		<b>2</b>

## Demand Generators

- ▶ Summer:
  - ▶ Boat tours, sailing and charter fishing trips: the harbor/marina is located downtown, nearby restaurants and shops, and is associated with New York history relating to the War of 1812
  - ▶ Battlefield Historic Site, open year-round, annual naval re-enactments and fireworks on July 4th among other events
  - ▶ Bedford Creek Golf Course
  - ▶ Farmhouse Maple, wineries and Old McDonald's Farm
  - ▶ Local events: Memorial Day Parade, Harvest Festival, Sackets Under the Stars movie series, CAN-AM Festival
  - ▶ Arts Center
  - ▶ Weddings
  - ▶ Great Lakes Seaway Trail: part of the 518-mile scenic driving route in New York and Pennsylvania
  - ▶ Some demand from Fort Drum, however, most of this demand uses branded hotels in Watertown
- ▶ Winter events include Whooville in the Harbor parade, Maple Farm remains open
- ▶ New demand generators:
  - ▶ There are currently no ongoing developments/confirmed pipeline projects for the market. Some preliminary proposals include development of a small convention center; construction of a tall ship replica to capitalize on naval history/harbor, which was the largest ship-building port in the War of 1812

\*May not reflect actual performance

## 4 Lodging Market Opportunities

### Thousand Islands Region | Jefferson County | Sackets Harbor Market

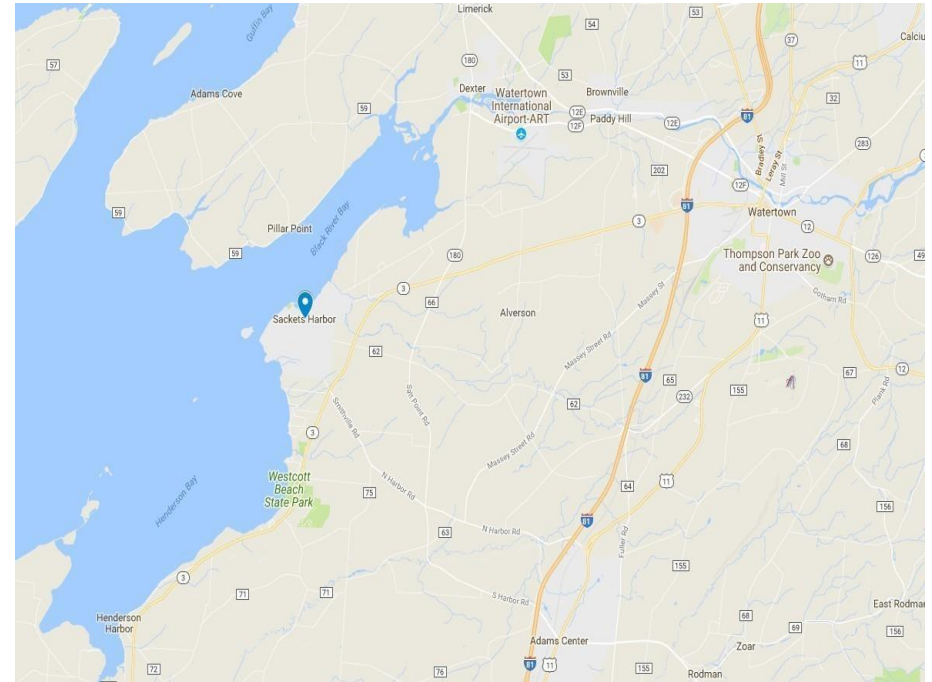
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Notional Profile of a Successful Lodging Project

Factor	Attributes
Product	Select-service <ul style="list-style-type: none"> <li>▶ A small restaurant and bar will be necessary to fill the gap during off-season when most restaurants in village close</li> </ul>
Positioning	Upper-Midscale to Upscale
Branded vs. Unaffiliated	Unaffiliated – franchise fees may not be justified due to seasonality of market and small size of hotel, although may create challenges (versus branded) with respect to financing
Number of Guestrooms	25-50 <ul style="list-style-type: none"> <li>▶ Allows the market to absorb previously displaced demand during peak season and potentially enables expansion of demand in shoulder and off season</li> <li>▶ Sustainable room count in off-season can support favorable annual operating results</li> </ul>
Lodging Facilities / Amenities	Small restaurant/bar, self-serve “market”, limited meeting space, fitness center
Locational Priorities	Village center (or within walking distance) in order to take advantage of historic sites, restaurants and retail
Target Markets	<ul style="list-style-type: none"> <li>▶ Guest Profile: Families, couples</li> <li>▶ Primary Feeder Markets: Syracuse, Rochester, Albany, Northern New Jersey, Ottawa (Canada), Europe</li> </ul>
Potential Supporting Initiatives	Development of additional demand generators (e.g. a small convention center, replica battleship)

#### 3 adjectives describing the market:

- ▶ Picturesque
- ▶ Hidden Gem
- ▶ Historic



Sackets Harbor Village Center



Sackets Harbor Battlefield Historic Site



Source: EY fieldwork; local websites



## 4 Lodging Market Opportunities

### Thousand Islands Region | Jefferson County | Alexandria Bay Market

1	Executive Summary
2	Regional Overview
3	Lodging Market Overview
4	<b>Lodging Market Opportunities</b>
5	Appendices

## Lodging Supply

- ▶ Lodging inventory is primarily composed of full-service hotels, motels and bed & breakfasts
- ▶ Positioning:
  - ▶ Midscale or lower
  - ▶ Heavily influenced by condition of properties and availability of facilities (e.g. restaurant at Bonnie Castle open only certain days of the week)
  - ▶ Physical condition of hotels: in need of restoration/renovation
  - ▶ Most properties afford excellent views of the St. Lawrence River and Boldt Castle, with some inns and motels in the downtown area
  - ▶ Some lodging facilities are under renovation (Bonnie Castle and Captain Thomson's Resort)
- ▶ Operations:
  - ▶ Independent mom & pop hotels and motels
  - ▶ According to market participants some hotels have closed down
  - ▶ Estimated market performance\* (based on interviews with market participants)










Metric	Peak season (summer)	Off season (winter)	Annual
Occupancy	45% to 55%	10% to 20%	25% to 35%
ADR	\$120 to \$130	\$65 to \$75	\$95 to \$110
RevPAR	\$55 to \$70	\$5 to \$15	\$25 to \$40

## Demand Generators

- ▶ Summer:
  - ▶ Boat tours: boating in Alexandria Bay is a major attraction; river is uniquely broad in this location
  - ▶ Heritage sites: two castles (Boldt Castle and Singer Castle) used primarily for leisure tours and functions (seasonal operations)
    - ▶ According to market participants, Boldt Castle attracts approximately 250,000 tourists annually
  - ▶ Recreational activities including fishing and golf
  - ▶ Antique Boat Museum in Clayton (seasonal operation)
  - ▶ Weddings: 75 to 85 weddings annually in two area hotels
  - ▶ Summer concert series: Home of the Stars at the Bonnie Castle Resort
  - ▶ Wine trails: wineries in the surrounding area
  - ▶ Diving area (40 feet): attracts state police who stay for several weeks
- ▶ Winter:
  - ▶ Large regional events, examples: Polar Bear Dip (800 attendees over a weekend), Fire & Ice (2,000 attendees over three days)
  - ▶ Recreational activities including snowshoeing, ice fishing, ice hockey
  - ▶ Some wineries are still open
  - ▶ Craft fairs
- ▶ New demand generators:
  - ▶ Town is developing new amenities, e.g. upscale brewery, retail in the downtown area

\*May not reflect actual performance

## Alexandria Bay Market

Attribute	Rating	Rationale
Accessibility		Close to I-81 and off Route 12, Thousand Islands Bridge, Charter Boats
Demand across multiple seasons		Occupancy and room rates drop in winter months; some hotels and downtown businesses close over winter
Diversified customer base		Limited business travelers, but demand from leisure transient (price-sensitive), weddings, associations, regional events
Potential for new demand generators		Limited downtown revitalization, ongoing renovation of hotels
Historic lodging market performance		Very seasonal in nature; even shoulder seasons are relatively weak; demand is price-sensitive
Availability of labor		Seasonal, proposed developments would exacerbate already difficult conditions; Thousand Islands Harbor Hotel in Clayton provides housing for international workforce during summer, as they cannot source locally
Tourism Product/ Amenities		Strong due to attractions and lodging availability; weak due to condition and price-point of tourist amenities and hotels
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)		Strong cell reception in the area as well as city water and sewer, no significant infrastructure challenges were identified
Community sentiment		Some revitalization underway; supportive and passionate community
Rank		3

## 4 Lodging Market Opportunities

### Thousand Islands Region | Jefferson County | Alexandria Bay Market

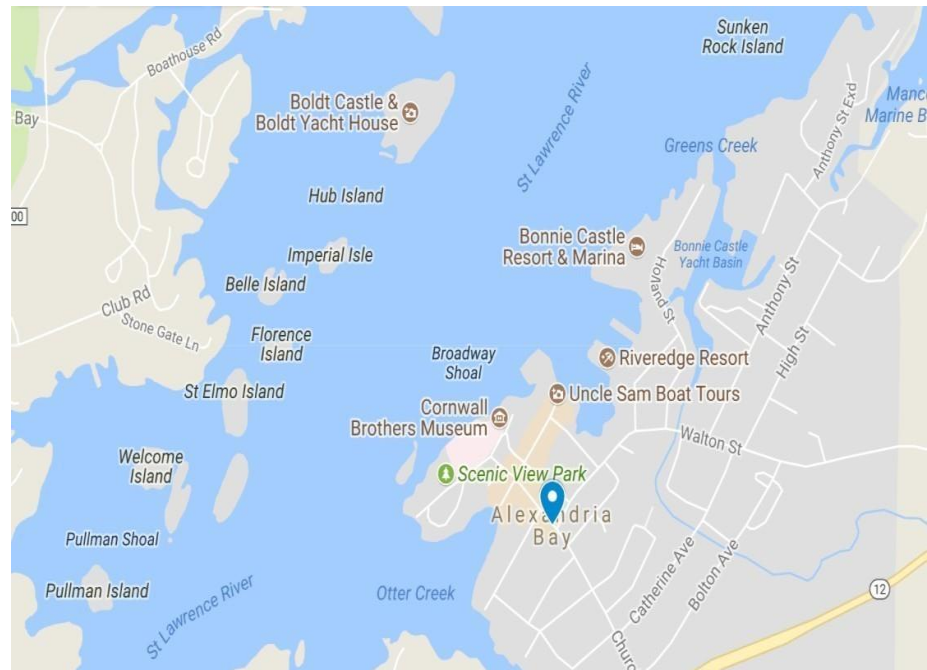
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Notional Profile of a Successful Lodging Project

Factor	Attributes
Product	<b>Full-service</b> <ul style="list-style-type: none"> <li>► Fills gap in positioning of market, which is characterized by older, lower-rated independent hotels and motels</li> <li>► May induce overnight visitors who have the propensity to spend more (e.g., paying a higher rate), which could result in positive economic benefit to the town beyond the hotel itself</li> </ul>
Positioning	<b>Upscale</b>
Branded vs. Unaffiliated	<b>Unaffiliated</b> <ul style="list-style-type: none"> <li>► Franchise fees may not be justified due to seasonality of market, size of hotel and potential rate ceiling in market, although may create challenges (versus branded) with respect to financing</li> <li>► Already in established tourist destination with many attractions and amenities</li> </ul>
Number of Guestrooms	<b>50 to 75</b> <ul style="list-style-type: none"> <li>► Allows the market to absorb previously displaced demand during peak season and potentially enables expansion of demand in shoulder and off season</li> <li>► Sustainable room count in off-season can support favorable annual operating results</li> <li>► Can accommodate social groups (e.g. weddings)</li> </ul>
Lodging Facilities / Amenities	Restaurant and bar, divisible ballroom, indoor pool, fitness center
Locational Priorities	Along the St. Lawrence river with direct access to the river and views of Boldt Castle
Target Markets	<ul style="list-style-type: none"> <li>► Guest Profile: Families, couples, weddings/social groups</li> <li>► Primary Feeder Markets: Buffalo, Rochester, Pennsylvania, Ottawa and Gananoque (Canada – limited)</li> </ul>
Potential Supporting Initiatives	Public investment in enhancement of streetscape/storefronts

#### 3 adjectives describing the market:

- Heart of the Thousand Islands
- Natural Beauty
- Unique



Dark Island Spirits (brewery)



Main Street, Alexandria Bay



Source: EY fieldwork; local websites

## 4 Lodging Market Opportunities

### Thousand Islands Region | Lewis County | Lyons Falls Market

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

### Lodging Supply

- ▶ Lodging inventory in the entire county is comprised of a few limited service lodging facilities and bed & breakfasts. Vacation rentals, camping and RV lots are common alternatives.
- ▶ Positioning:
  - ▶ Midscale and lower
  - ▶ Independent
  - ▶ Limited service
  - ▶ Physical condition of hotels: generally outdated and aged
  - ▶ Only one recently renovated property noted
  - ▶ Heavily influenced by location of snowmobile & ATV trail
- ▶ Operations:
  - ▶ Independent mom & pop hotels and motels
  - ▶ Most lodging facilities are full in the winter on the weekends, when there is snow
  - ▶ Segmentation: 90% leisure, 10% corporate
  - ▶ Estimated market performance\* (based on interviews with market participants)

Metric	Peak season (winter)	Off season (summer)	Annual
Occupancy	70% to 90%	5% to 40%	38% to 68%
ADR	\$89 to \$109	\$70 to \$100	\$80 to \$104
RevPAR	\$62 to \$98	\$4 to \$40	\$30 to \$71

### Demand Generators

- ▶ Market bookended by Tug Hill Plateau in the west, Adirondack Park in the east and Black River and Moose River in the middle, therefore, outdoor activity drives demand in the county
- ▶ Summer:
  - ▶ ATV Trails
  - ▶ Fishing, kayaking and canoeing
  - ▶ Museums, County Fairs, and events (Woodsmen Field Day, Snirt Run, Moedown Music Fest, Cream Cheese Festival, Lewis County Fair)
  - ▶ Weddings and reunions (2-3 wedding blocks per weekend from June through October)
- ▶ Winter:
  - ▶ Snowmobile Trails
  - ▶ Snow Ridge (downhill ski center)
  - ▶ Maple Ski Ridge
  - ▶ Skiing, snow tubing, sledding
  - ▶ Museums & historic sites (American Maple Museum, Mennonite Heritage Centers, Constable Hall)
- ▶ New demand generators:
  - ▶ Snow Ridge ski center is planning to add a tubing hill and ice skating rink over the next one to two years.
  - ▶ The Edge Hotel has plans to build a Banquet Hall (breaking ground Summer 2018 and expected to open in September 2019) with capacity of 500 people.
  - ▶ Extension of ATV trails

\*May not reflect actual performance

### Lyons Falls Market

Attribute	Rating	Rationale
Accessibility		Approximately 50 minutes from I-81 or I-90. Directly accessible via state roadways (County Routes 126, 12, 26, 120 and 812)
Demand across multiple seasons		Peak demand in the winter; however, summer sees some recreational demand
Diversified customer base		Primarily rate-conscious leisure, strong weddings in peak season, minimal business travelers
Potential for new demand generators		Expansion of activities at main ski station, conference center, extension of ATV trail
Historic lodging market performance		Seasonal in nature and largely driven by snow conditions during peak season; summer demand in the market oriented to camping and RVs
Availability of labor		Available workforce; lodging is a good match for the general skill level of the area
Tourism Product/ Amenities		Many demand generators and available restaurants, but spread out throughout the county; limited traditional lodging facilities
Supporting infrastructure (Wi-Fi, cellular service, utilities etc.)		Limited municipal systems for water/sewer, wastewater projects are required but timing is not defined
Community sentiment		Supportive and passionate community, with no known opposition
Rank		4

## 4 Lodging Market Opportunities

### Thousand Islands Region | Lewis County | Lyons Falls Market

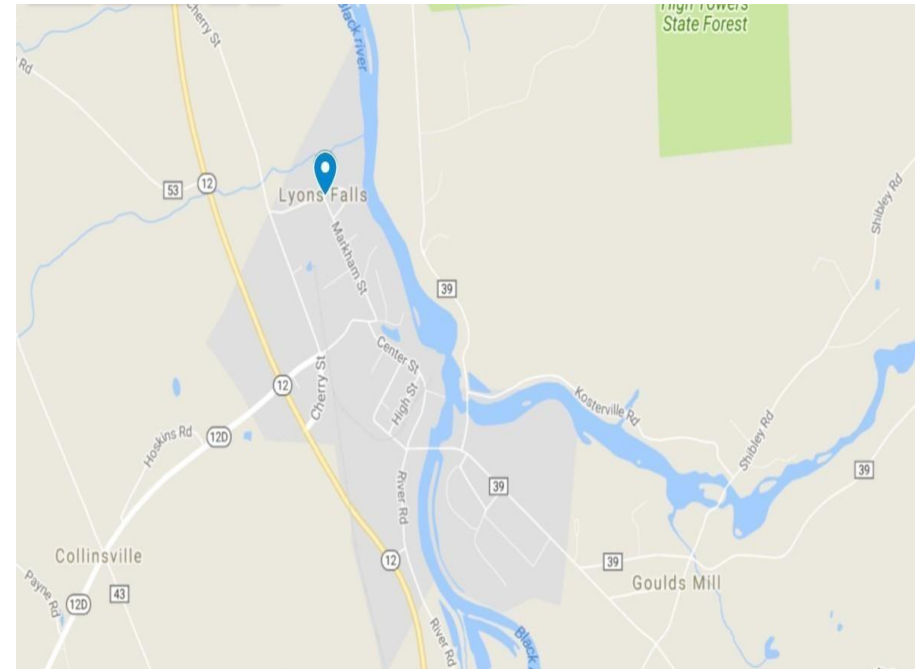
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities**
- 5 Appendices

#### Notional Profile of a Successful Lodging Project

Factor	Attributes
Product	Select-service <ul style="list-style-type: none"> <li>▶ A small restaurant and bar will be necessary due to limited dining options in the area and to fill gap during off-season when most restaurants in village close</li> </ul>
Positioning	Midscale
Branded vs. Unaffiliated	Unaffiliated – franchise fees may not be justified due to seasonality of market and small size of hotel, although may create challenges (versus branded) with respect to financing
Number of Guestrooms	50-75 <ul style="list-style-type: none"> <li>▶ Allows the market to absorb previously displaced demand during peak season and potentially enables expansion of demand in shoulder and off season</li> <li>▶ Sustainable room count in off-season can support favorable annual operating results</li> </ul>
Lodging Facilities / Amenities	Small restaurant/bar, self-serve market, limited meeting space, fitness center
Locational Priorities	Proximity to snowmobile and ATV trails
Target Markets	<ul style="list-style-type: none"> <li>▶ Guest Profile: Couples, families, singles, social groups</li> <li>▶ Primary Feeder Markets: Urban centers in western NY, northern PA and northern NJ</li> </ul>
Potential Supporting Initiatives	Extension of ATV trails; events for more diverse target markets that occur throughout the year and are not wholly dependent up weather conditions (e.g. snow accumulation)

#### 3 adjectives describing the market:

- ▶ Experiential
- ▶ Diverse
- ▶ Friendly



#### The Edge Hotel



Source: Local websites

#### Snow Ridge





# 5

## Appendices



## 5 Appendices

### Appendix 1 – Definitions and Abbreviations

1	Executive Summary
2	Regional Overview
3	Lodging Market Overview
4	Lodging Market Opportunities
<b>5</b>	<b>Appendices</b>

<b>ADK</b>	Adirondack	<b>Project Sponsors</b>	New York State Urban Development Corporation, Empire State Development and North Country Regional Economic Development Council Lodging Taskforce
<b>ADR</b>	Average daily rate	<b>RevPAR</b>	Revenue per available room
<b>APA</b>	Adirondack Park Agency	<b>Soft Brand</b>	Collection of hotels that allows owners and operators to affiliate with a major chain while retaining their unique name, design and orientation. Select soft brand hotels include Curio by Hilton, Ascend Hotel Collection by Choice Hotels International, Autograph Collection by Marriott International and The Luxury Collection by Starwood Hotels & Resorts Worldwide. See Boutique, Lifestyle Brand.
<b>CAGR</b>	Compound annual growth rate	<b>STR</b>	Smith Travel Research
<b>Chain scale</b>	According to STR, chain scale segments are grouped primarily according to actual average room rates. An independent hotel, regardless of average room rate, is included as a separate chain scale category. The chain scale segments are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy and Independent.	<b>TI</b>	Thousand Islands
<b>Class</b>	A categorization of chain-affiliated and independent hotels. The class for a chain-affiliated hotel is the same as its chain scale. An independent hotel is assigned a class based on its ADR, relative to that of the chain hotels in their geographic proximity. The class segments are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale and Economy.	<b>TTM</b>	Trailing 12 months
<b>Client</b>	Empire State Development	<b>Unaccommodated Demand</b>	Demand that would have been captured by a market, but for lack of available rooms
<b>ESD</b>	Empire State Development	<b>YTD</b>	Year-to-date
<b>F&amp;B</b>	Food and beverage		
<b>FIRE</b>	Finance, Insurance, Real Estate		
<b>M</b>	Million		
<b>MWBE</b>	Minority or Women-Owned Business Enterprise		
<b>NAP</b>	Not applicable		
<b>NAV</b>	Not available		
<b>North Country</b>	Adirondacks and Thousand Island regions		
<b>NYC</b>	New York City, which includes Manhattan, The Bronx, Brooklyn, Queens and Staten Island		
<b>NYS</b>	New York State		
<b>ORDA</b>	Olympic Region Development Authority		

## 5 Appendices

### Appendix 2 –Chain Scales and Brand Examples

1	Executive Summary
2	Regional Overview
3	Lodging Market Overview
4	Lodging Market Opportunities
<b>5</b>	<b>Appendices</b>

The following is a chain scale list, as defined by Smith Travel Research (STR). It is worth noting that a majority of hotels in the North Country are independently owned and operated and, as a result, coverage by STR is limited as independent hotels tend not to subscribe to STR on the same scale as branded hotels.

Chain Scale	Description	Representative Brands / Hotels
<b>Luxury</b>	<ul style="list-style-type: none"> <li>Full-service hotels that offer guests the highest quality facilities, amenities and services</li> <li>Most feature high-end finishes and expansive amenities, which commonly include high-end dining options, spa facilities, 24-hour room service, significant meeting space and high-end customer service</li> <li>Command the highest prices given level of service and quality of product</li> </ul>	Four Seasons, St. Regis, Ritz-Carlton, Mandarin Oriental, Fairmont, JW Marriott, Loews
<b>Upper Upscale</b>	<ul style="list-style-type: none"> <li>Full-service hotels that offer guests high-quality facilities, amenities and services, including significant amounts of meeting space, room service, fine dining, etc.</li> <li>Facilities and amenities are less high-end and guestrooms are typically smaller than those offered at luxury properties</li> </ul>	Westin, Le Méridien, Marriott, Hilton, Sheraton, Hyatt, Hotel Indigo, Curio Collection
<b>Upscale</b>	<ul style="list-style-type: none"> <li>Typically select-service hotels that offer guests high-quality facilities and amenities with select services (typically no room service, limited meeting space)</li> <li>Facilities and amenities are less high-end and guestrooms are typically smaller than those offered at luxury and upper upscale properties</li> </ul>	<u>Full-Service</u> : Doubletree <u>Select-Service</u> : aloft, Courtyard, Four Points, Hilton Garden Inn <u>Limited-Service</u> : Residence Inn, Springhill Suites
<b>Upper Midscale</b>	<ul style="list-style-type: none"> <li>Average quality facilities, amenities and services in a limited-service facility</li> </ul>	Comfort Suites, Fairfield Inn, Hampton Inn, Holiday Inn Express, Home2 Suites, TownePlace Suites
<b>Midscale</b>	<ul style="list-style-type: none"> <li>Below-average quality facilities, amenities and services in a limited-service facility</li> <li>Often franchised properties</li> </ul>	Best Western, Candlewood Suites, La Quinta Inn & Suites, Quality Inn, Ramada
<b>Economy</b>	<ul style="list-style-type: none"> <li>Limited service hotels which offer the lowest quality facilities, amenities and services</li> <li>Facilities and amenities are typically very limited in scope and may only include housekeeping</li> </ul>	Days Inn, Econo Lodge, Extended Stay America, Howard Johnson, Motel 6, Super 8, Travelodge



## 5 Appendices

### Appendix 3 – Demographic Data – North Country

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices**

## Population Trends – 2010, 2017, 2022

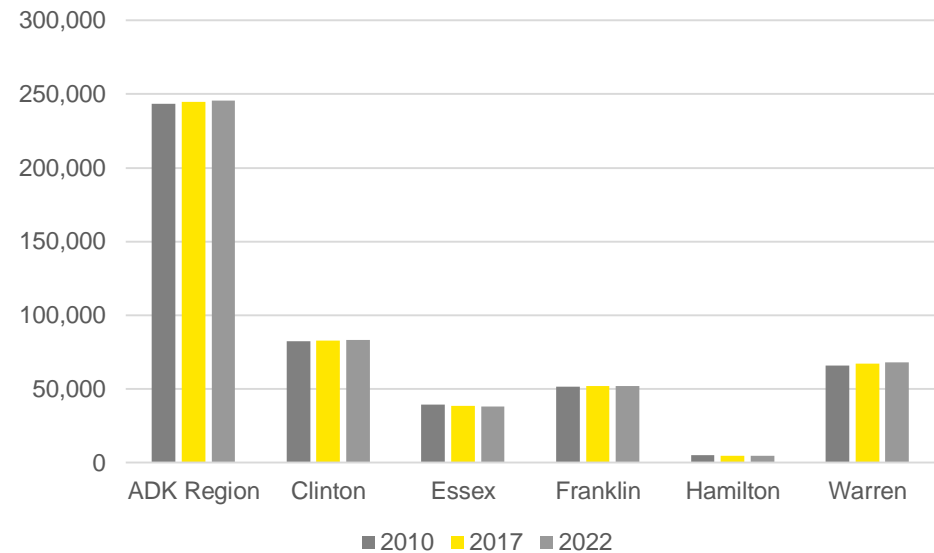
### Population Trend by County – ADK Region

Geography	2010	2017	2022
ADK Region	243,640	244,659	245,559
Clinton	82,128	82,577	83,380
Essex	39,370	38,608	38,191
Franklin	51,599	51,901	51,720
Hamilton	4,836	4,593	4,434
Warren	65,707	66,980	67,834

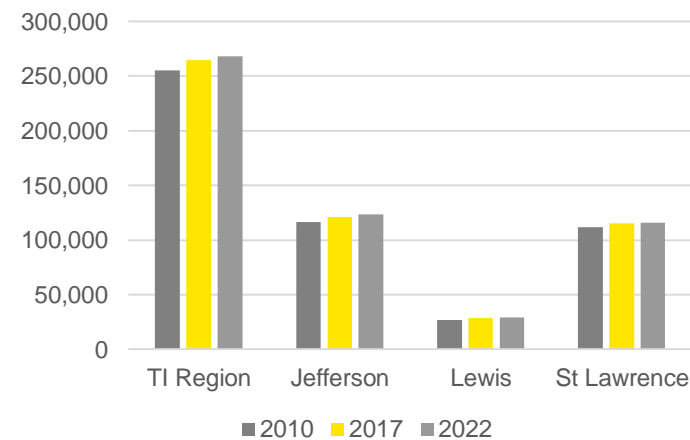
### Population Trend by County – TI Region

Geography	2010	2017	2022
TI Region	255,260	264,403	268,322
Jefferson	116,229	120,954	123,219
Lewis	27,087	28,363	29,012
St Lawrence	111,944	115,086	116,091

### Population Trend by County – ADK Region



### Population Trend by County – TI Region



Source: Esri



## 5 Appendices

### Appendix 3 – Demographic Data – North Country

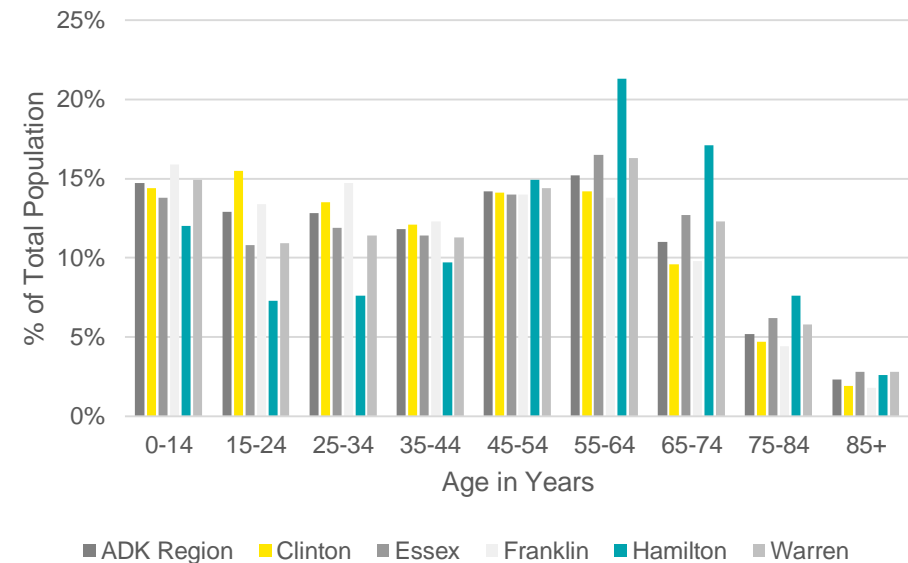
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices**

## Population by Age – 2017

### % of Total Population by Age – ADK Region

Age in Years	ADK Region	Clinton	Essex	Franklin	Hamilton	Warren
0-14	14.7%	14.4%	13.8%	15.9%	12.0%	14.9%
15-24	12.9%	15.5%	10.8%	13.4%	7.3%	10.9%
25-34	12.8%	13.5%	11.9%	14.7%	7.6%	11.4%
35-44	11.8%	12.1%	11.4%	12.3%	9.7%	11.3%
45-54	14.2%	14.1%	14.0%	14.0%	14.9%	14.4%
55-64	15.2%	14.2%	16.5%	13.8%	21.3%	16.3%
65-74	11.0%	9.6%	12.7%	9.8%	17.1%	12.3%
75-84	5.2%	4.7%	6.2%	4.4%	7.6%	5.8%
85+	2.3%	1.9%	2.8%	1.8%	2.6%	2.8%

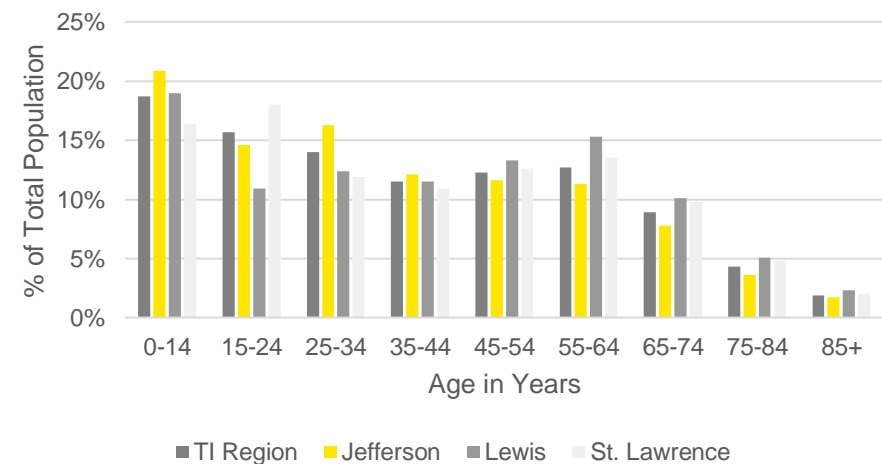
### % of Total Population by Age – 2017 – ADK Region



### % of Total Population by Age – TI Region

Age in Years	TI Region	Jefferson	Lewis	St. Lawrence
0-14	19%	20.9%	19.0%	16.4%
15-24	16%	14.6%	10.9%	18.0%
25-34	14%	16.3%	12.4%	11.9%
35-44	12%	12.1%	11.5%	10.9%
45-54	12%	11.6%	13.3%	12.6%
55-64	13%	11.3%	15.3%	13.5%
65-74	9%	7.8%	10.1%	9.8%
75-84	4%	3.6%	5.1%	4.8%
85+	2%	1.7%	2.3%	2.0%

### % of Total Population by Age – 2017 – TI Region



Source: Esri

## 5 Appendices

### Appendix 3 – Demographic Data – North Country

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices**

## Median Household Income Projection –2017 to 2022

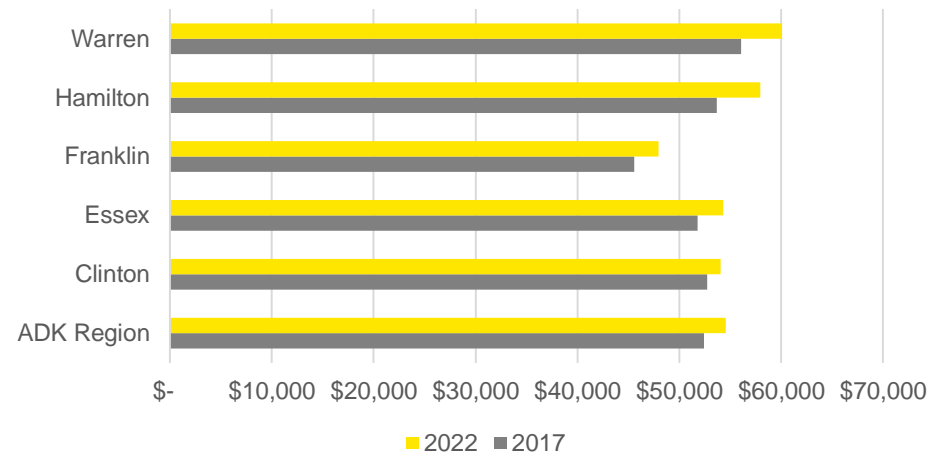
### Median Household Income by County – ADK Region

Geography	2017	2022
ADK Region	\$ 52,404	\$ 54,534
Clinton	\$ 52,753	\$ 54,032
Essex	\$ 51,792	\$ 54,331
Franklin	\$ 45,573	\$ 47,939
Hamilton	\$ 53,691	\$ 57,944
Warren	\$ 56,067	\$ 60,123

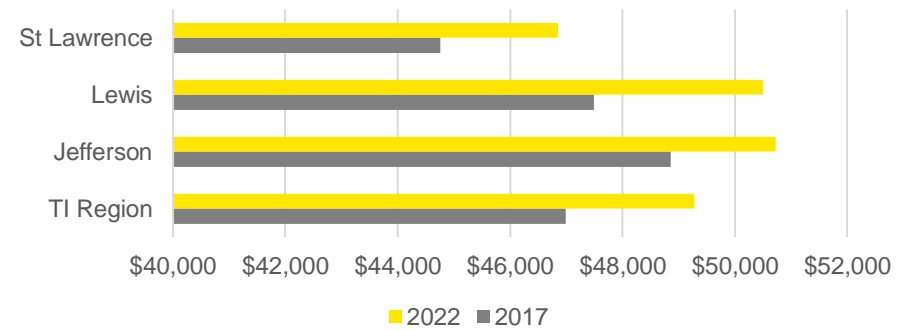
### Median Household Income by County – TI Region

Geography	2017	2022
TI Region	\$ 46,993	\$ 49,279
Jefferson	\$ 48,862	\$ 50,724
Lewis	\$ 47,489	\$ 50,498
St Lawrence	\$ 44,756	\$ 46,852

### Median HHI by County – ADK Region



### Median HHI by County – TI Region



## 5 Appendices

### Appendix 3 – Demographic Data – North Country

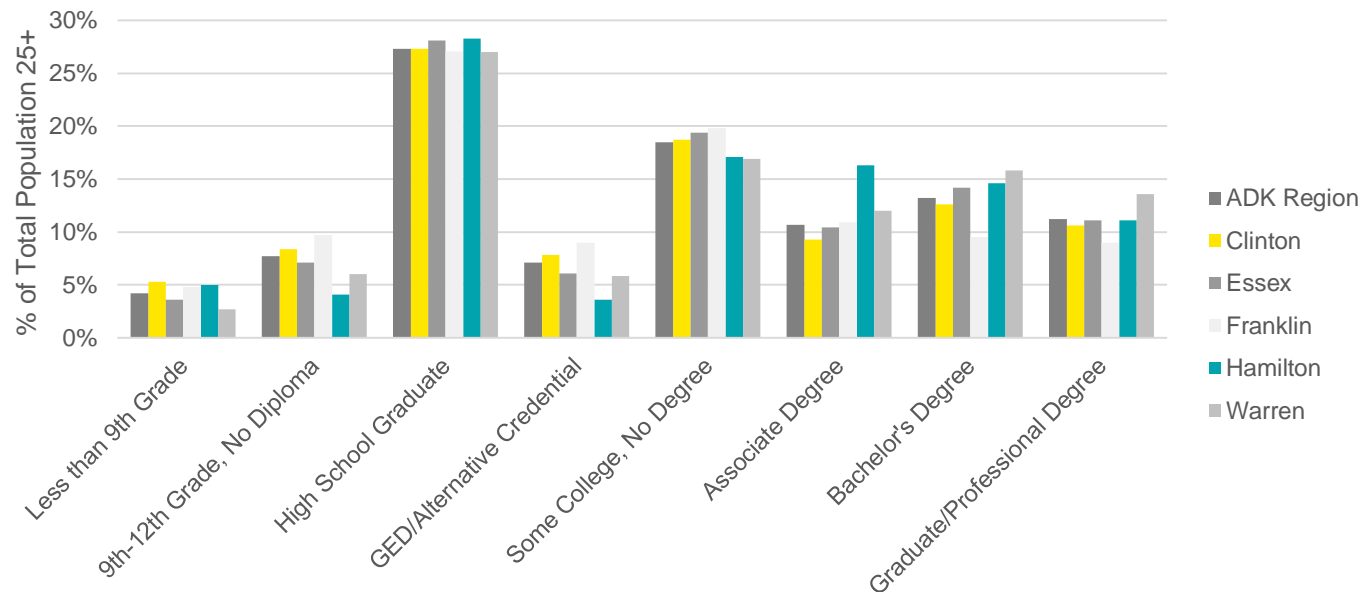
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices**

## Educational Attainment – ADK Region –2017

Educational Attainment (Population 25+) : % of Total Population by Age – ADK Region

Geography	ADK Region	Clinton	Essex	Franklin	Hamilton	Warren
Less than 9th Grade	4.2%	5.3%	3.6%	4.8%	5.0%	2.7%
9th-12th Grade, No Diploma	7.7%	8.4%	7.1%	9.7%	4.1%	6.0%
High School Graduate	27.3%	27.3%	28.1%	27.1%	28.3%	27.0%
GED/Alternative Credential	7.1%	7.8%	6.1%	9.0%	3.6%	5.8%
Some College, No Degree	18.5%	18.7%	19.4%	19.8%	17.1%	16.9%
Associate Degree	10.7%	9.3%	10.4%	10.9%	16.3%	12.0%
Bachelor's Degree	13.2%	12.6%	14.2%	9.5%	14.6%	15.8%
Graduate/Professional Degree	11.2%	10.6%	11.1%	9.0%	11.1%	13.6%

Educational Attainment (Pop 25+) – 2017 – ADK Region



## 5 Appendices

### Appendix 3 – Demographic Data – North Country

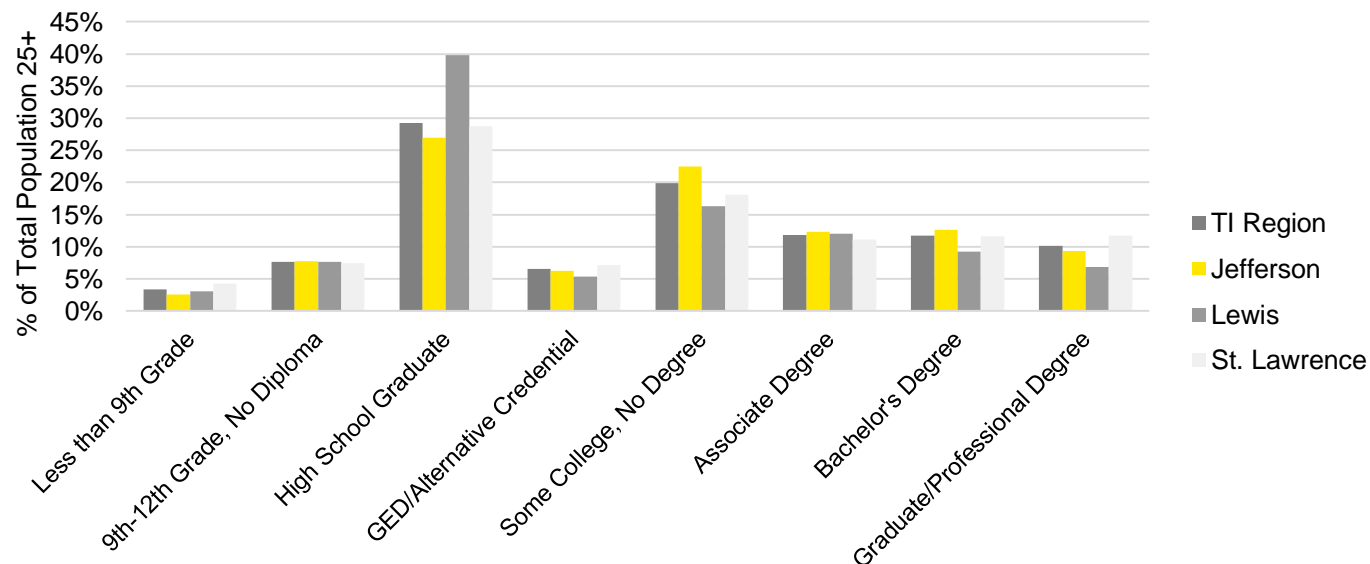
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices**

## Educational Attainment – TI Region –2017

Educational Attainment (Population 25+) : % of Total Population by Age – TI Region

Geography	TI Region	Jefferson	Lewis	St. Lawrence
Less than 9th Grade	3.3%	2.5%	3.0%	4.2%
9th-12th Grade, No Diploma	7.6%	7.7%	7.6%	7.4%
High School Graduate	29.3%	27.0%	39.8%	28.8%
GED/Alternative Credential	6.5%	6.2%	5.3%	7.1%
Some College, No Degree	19.9%	22.5%	16.3%	18.1%
Associate Degree	11.8%	12.3%	12.0%	11.1%
Bachelor's Degree	11.7%	12.6%	9.2%	11.6%
Graduate/Professional Degree	10.1%	9.3%	6.8%	11.7%

Educational Attainment (Pop 25+) –  
2017 TI Region





## 5 Appendices

### Appendix 3 – Demographic Data – North Country

- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices**

## Annual Average Unemployment –2017

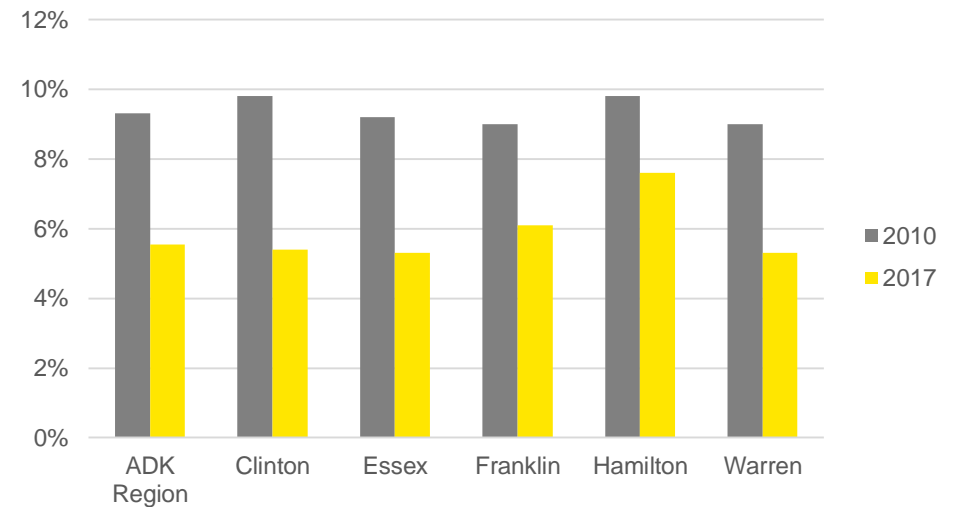
### Average Annual Unemployment by County – ADK

Geography	2010	2017
ADK Region	9.3%	5.5%
Clinton	9.8%	5.4%
Essex	9.2%	5.3%
Franklin	9.0%	6.1%
Hamilton	9.8%	7.6%
Warren	9.0%	5.3%

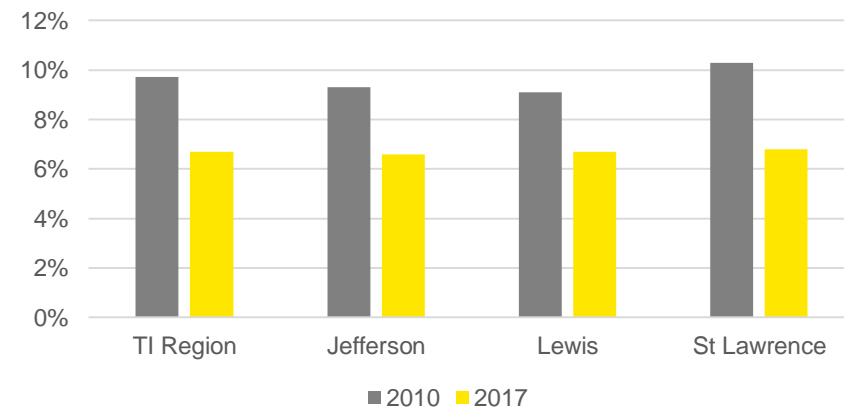
### Average Annual Unemployment by County – TI

Geography	2010	2017
TI Region	9.7%	6.7%
Jefferson	9.3%	6.6%
Lewis	9.1%	6.7%
St Lawrence	10.3%	6.8%

### 2010 and 2017 Annual Average Unemployment Rate by County – ADK Region



### 2010 and 2017 Annual Average Unemployment Rate by County – TI Region



Source: Esri

## 5 Appendices

### Appendix 3 – Demographic Data – North Country

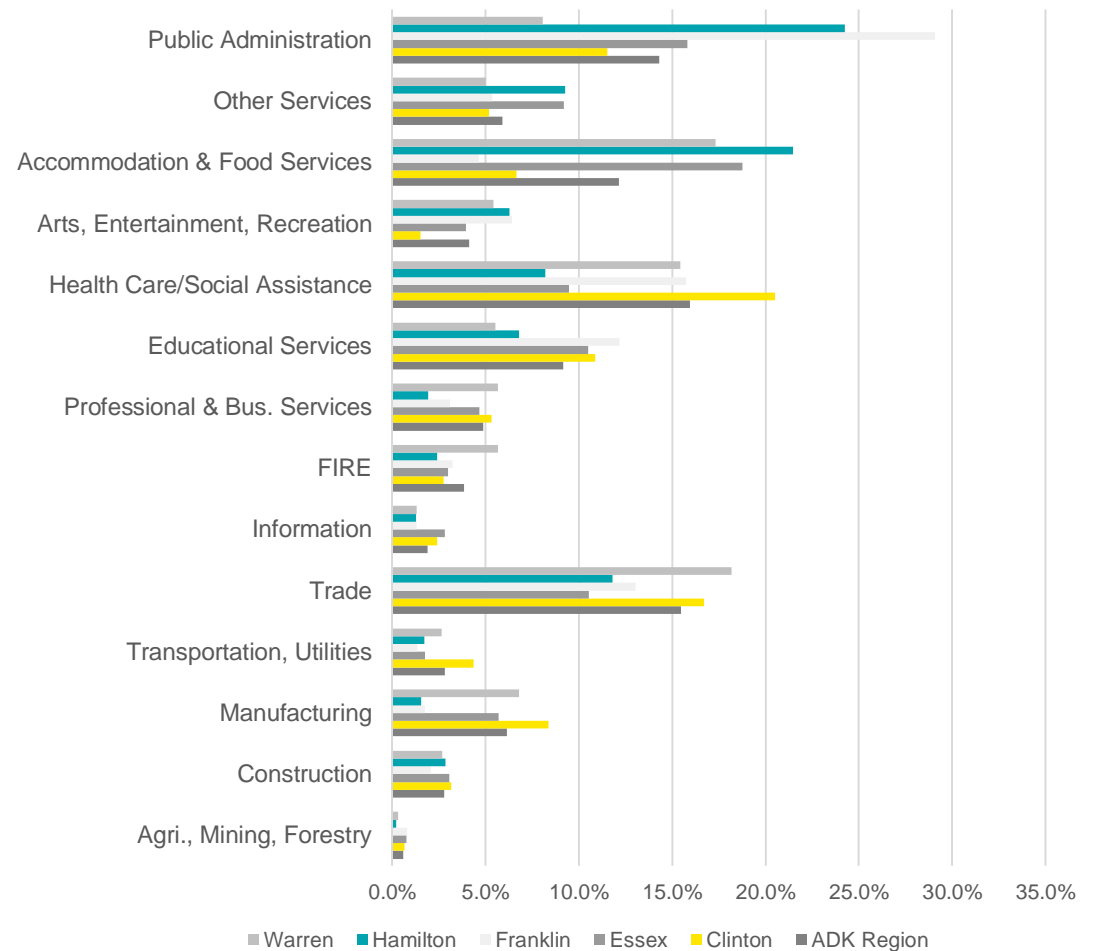
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices**

## 2017 Employment by Sector by County – ADK Region

### % of Total Employment by Sector by County – ADK Region – 2017

Industry Sector	ADK Region	Clinton	Essex	Franklin	Hamilton	Warren
Agri., Mining, Forestry	0.6%	0.7%	0.8%	0.8%	0.2%	0.3%
Construction	2.8%	3.2%	3.1%	2.1%	2.9%	2.7%
Manufacturing	6.1%	8.4%	5.7%	1.7%	1.5%	6.8%
Transportation, Utilities	2.8%	4.4%	1.8%	1.4%	1.7%	2.6%
Trade	15.5%	16.7%	10.5%	13.0%	11.8%	18.2%
Information	1.9%	2.4%	2.8%	1.3%	1.3%	1.3%
FIRE	3.8%	2.8%	3.0%	3.2%	2.4%	5.7%
Professional & Bus. Services	4.9%	5.3%	4.7%	3.1%	1.9%	5.7%
Educational Services	9.2%	10.9%	10.5%	12.2%	6.8%	5.5%
Health Care/Social Assistance	16.0%	20.5%	9.5%	15.7%	8.2%	15.4%
Arts, Entertainment, Recreation	4.1%	1.5%	4.0%	6.4%	6.3%	5.4%
Accommodation & Food Services	12.2%	6.7%	18.8%	4.6%	21.5%	17.3%
Other Services	5.9%	5.2%	9.2%	5.3%	9.3%	5.0%
Public Administration	14.3%	11.5%	15.8%	29.1%	24.2%	8.0%

### 2017 % of Total Employment by Sector by County- ADK Region



## 5 Appendices

### Appendix 3 – Demographic Data – North Country

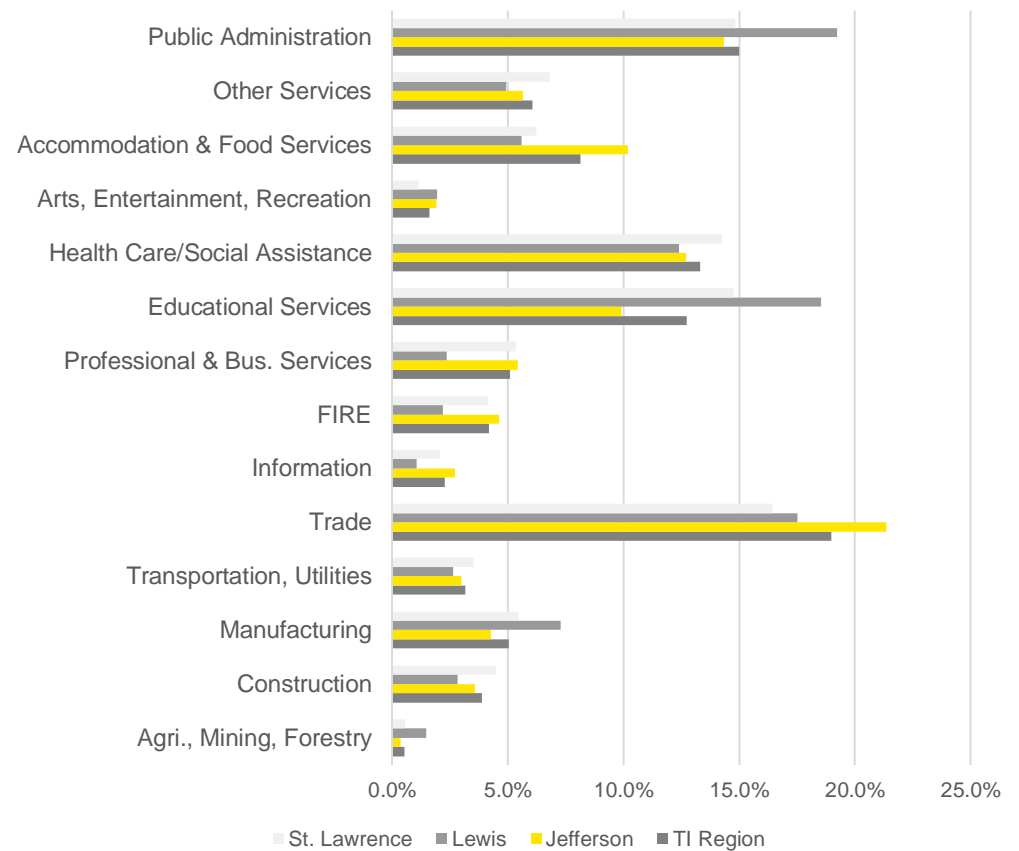
- 1 Executive Summary
- 2 Regional Overview
- 3 Lodging Market Overview
- 4 Lodging Market Opportunities
- 5 Appendices**

## 2017 Employment by Sector by County – TI Region

### % of Total Employment by Sector by County – TI

Industry Sector	TI Region	Jefferson	Lewis	St. Lawrence
Agri., Mining, Forestry	0.5%	0.4%	1.5%	0.6%
Construction	3.9%	3.6%	2.8%	4.5%
Manufacturing	5.0%	4.3%	7.3%	5.5%
Transportation, Utilities	3.2%	3.0%	2.6%	3.5%
Trade	19.0%	21.4%	17.5%	16.4%
Information	2.3%	2.7%	1.1%	2.1%
FIRE	4.2%	4.6%	2.2%	4.1%
Professional & Bus. Services	5.1%	5.4%	2.4%	5.4%
Educational Services	12.7%	9.9%	18.5%	14.8%
Health Care/Social Assistance	13.3%	12.7%	12.4%	14.3%
Arts, Entertainment, Recreation	1.6%	1.9%	2.0%	1.1%
Accommodation & Food Services	8.1%	10.2%	5.6%	6.2%
Other Services	6.1%	5.6%	4.9%	6.8%
Public Administration	15.0%	14.3%	19.2%	14.8%

### 2017 – % of Total Employment by Sector by County – TI Region



## 5 Appendices

### Appendix 4 – List of Identified Development Opportunities and Sites by Market

1 Executive Summary
2 Regional Overview
3 Lodging Market Overview
4 Lodging Market Opportunities
<b>5 Appendices</b>

The following is a list of lodging development projects currently proposed in the twelve identified markets. It is important to note that the list below is limited to those projects identified in the course of our fieldwork and primary research, and as such, does not represent the entire inventory of hotel projects proposed or under development in the North Country.

Market	County	Identified Development Opportunities
<b>Adirondacks</b>		
Saranac Lake	Essex	<b>Proposed Saranac Lake Hotel</b> , 234-256 Lake Flower Ave. Saranac Lake, NY 12983 <ul style="list-style-type: none"> <li>Independent hotel with 93 guest rooms and two restaurants (outdoors on deck and indoors)</li> </ul> <b>Proposed Eco-Lodge</b> , Paul Smith's College Visitor Interpretive Center <ul style="list-style-type: none"> <li>3,000 acres with 25 miles of trails, room count or features/amenities not available at this time</li> </ul>
Lake Champlain	Clinton	<b>Beach Hotel</b> , 4 Beach Rd, Plattsburgh, NY 12901 <ul style="list-style-type: none"> <li>A hotel at the public beach on Lake Champlain as part of the city's overall lakefront destination development plan (also including retail, restaurants, entertainment, etc.)</li> </ul>
Tupper Lake	Franklin	<b>Proposed Crossroads boutique hotel</b> , 131 Park Street, Tupper Lake, NY 12986 <ul style="list-style-type: none"> <li>As of right, developer can build 40 to 50 guest rooms, with restaurant, bar, meeting rooms</li> </ul> <b>Proposed ADK Club &amp; Resort</b> , Tupper Lake, NY <ul style="list-style-type: none"> <li>6,251 acre mixed use development with residential, ski, golf, equestrian, artist colony, and hotel components (60 room luxury, 100 room upper upscale)</li> </ul> <b>Proposed Home 2 Suites by Hilton</b> <ul style="list-style-type: none"> <li>Proposed limited-service, extended stay hotel with 75 guestrooms</li> </ul>
North Creek	Warren	<b>Ski Bowl Village</b> , 79 Ski Bowl Road, North Creek, NY 12853 <ul style="list-style-type: none"> <li>430 acre mixed-use development with 300 hotel rooms, 136 town homes, 18 single-family homes, spa/gym, equestrian center, 9-hole golf course, private ski lodge</li> </ul>
Ticonderoga	Essex	<b>Hotel Fort Ticonderoga</b> , 102 Fort Ti Rd, Ticonderoga, NY 12883 <ul style="list-style-type: none"> <li>50 to 90 room upscale destination hotel themed after Fort Ticonderoga</li> </ul>
Wilmington	Essex	<b>Whiteface Development</b> , 5021 NY-86 Scenic, Wilmington, NY 12997 <ul style="list-style-type: none"> <li>60 to 80 rooms, restaurant, breakfast/lounge area, meeting room, indoor swimming pool, fitness area, lakefront recreational activities</li> </ul>
Blue Mountain Lake	Hamilton	<b>Proposed ADK EXP hotel</b> , Route 30, Blue Mountain Lake, NY 12812 <ul style="list-style-type: none"> <li>50 guest rooms; 26 glamping sites; 5,000 SF meeting space; gym; potentially all-inclusive rate structure; recreational amenities including: outdoor pool, zip line, mini-golf, climbing wall</li> </ul>



## 5 Appendices

### Appendix 4 – List of Identified Development Opportunities and Sites by Market

1 Executive Summary
2 Regional Overview
3 Lodging Market Overview
4 Lodging Market Opportunities
<b>5 Appendices</b>

Market	County	Identified Development Opportunities
<b>Adirondacks (Continued)</b>		
Speculator	Hamilton	<p><b>Lake Pleasant Lodge Redevelopment 2839 NY-30, Speculator, NY 12164</b></p> <ul style="list-style-type: none"> <li>▶ 40+ rooms, upper-upscale, limited service branded hotel</li> </ul> <p><b>Proposed Oak Mountain Ski Center Hotel 141 Novosel Way, Speculator, NY 12164</b></p> <ul style="list-style-type: none"> <li>▶ 25+ rooms, no other data on facilities/amenities at this time</li> </ul> <p><b>Proposed Speculator Hotel Novosel Way, Speculator, NY 12164</b></p> <ul style="list-style-type: none"> <li>▶ Data on room count and facilities/amenities not available at this time</li> </ul>
<b>Thousand Islands</b>		
Waddington	St. Lawrence	<p><b>Waddington Waterfront Hotel, Leishman Point, Waddington, NY 13694</b></p> <ul style="list-style-type: none"> <li>▶ Upscale destination hotel on Leishman Point</li> </ul>
Sackets Harbor	Jefferson	<p><b>Lake Ontario Vineyard Estate, Inc. Hotel &amp; Tourism Development, 14685 Bay Breeze Way, Dexter, New York, 13634</b></p> <ul style="list-style-type: none"> <li>▶ Destination hotel with existing maple farm, Astoria, Bay Breeze, Tastevin and other onsite activities</li> </ul> <p><b>Harbor House Inn Expansion, 103 General Smith Dr, Sackets Harbor, NY 13685</b></p> <ul style="list-style-type: none"> <li>▶ Complete renovation and expansion of existing 29-room hotel (add rooms and public space)</li> </ul>
Alexandria Bay	Jefferson	<p><b>Bonnie Castle Resort and Marina, 31 Holland St, Alexandria Bay, NY 13607</b></p> <ul style="list-style-type: none"> <li>▶ Assist in completing renovations of the Bonnie Castle Resort and Marina</li> <li>▶ Upscale hotel across the parking lot from existing 84-room wing of Bonnie Castle</li> </ul>
Lyons Falls	Lewis	<p><b>Potential hotel development, Center Street, Lyons Falls, NY</b></p> <ul style="list-style-type: none"> <li>▶ A lodging facility, which would serve as an outdoor recreation hub (similar to Tail Water Inn)</li> </ul>

## 5 Appendices

### Appendix 5 – Initial Developer Information Checklist

1	Executive Summary
2	Regional Overview
3	Lodging Market Overview
4	Lodging Market Opportunities
<b>5</b>	<b>Appendices</b>

#### Considerations to Evaluate Development Opportunity

##### Developer

- Ownership entity
- Partners or principles with majority interest
- History of Litigation or judgements
- Developer should have strong familiarity with New York State and local regulations that could impact lodging development

##### Summary Project Description

- Project location and description
- Type of hotel (economy, midscale, upper midscale, etc.)
- Target markets and segments of demand
- Amount of Request for state and local funding; identify sources and incentives needed to ensure a financially viable project

##### Developer Experience

- Identify previous projects showing evidence of experience in constructing, financing and if applicable, managing lodging projects of similar size and type to the one proposed

##### Hotel Management Experience

- Identify the hotel operator with examples of experience managing, operating and marketing a lodging project(s) of similar size and type to the one proposed. Experience in the North Country is preferred to show understanding of staffing challenges

##### Architect

- Identify the Architecture Firm with examples of experience designing hotel projects of similar size and scope, and if possible, have experience in the North Country to understand regulatory, building code, construction cost and environmental issues

## 5 Appendices

### Appendix 5 – Initial Developer Information Checklist

1	Executive Summary
2	Regional Overview
3	Lodging Market Overview
4	Lodging Market Opportunities
<b>5</b>	<b>Appendices</b>

#### Considerations to Evaluate Development Opportunity

##### Concept Plan and Program

Provide a concept plan of the proposed project providing exterior façade and building program including number of rooms, amenities (restaurants, meeting space, gym, etc.) and square footages of each

Site plan for the project

##### Financial Information

Project Budget including land cost, hard and soft costs

Market Study identifying income and expense assumptions supportable by market demand; identifying sources of demand (feeder markets, demand generators by season, etc.)

Sources and Uses of Funds: Sources should include letters of interest or commitments from lenders, sources of equity and amounts, amounts and sources of public funds needed to complete the capital stack and achieve an ROI

5-year Operating pro forma including debt and return on equity

Evidence of property control

Outstanding infrastructure or environmental issues

Economic impact of project

##### Timing

Provide estimated timeline for project construction and completion including identification of approvals required from State and local governments. Contingencies to accomplishing this timeline should be considered